

Accountancy

AUGUST 1953

Professional Notes

- 245 Accountants' Working Papers
- 245 Putting Money to Work
- 245 Auditor's Valuation of Shares
- 246 Sir Arthur Middleton, F.S.A.A., J.P.
- 246 More Honours
- 246 Deferred Repairs and E.P.T.
- 247 Strengthening the Monopolies Commission
- 247 National Insurance—1. Short Spells of Unemployment and Sickness
- 248 National Insurance—2. Benefits for Occupational Diseases
- 248 British Firms of Accountants in South Africa
- 248 Professor Bray's Research Lectures and Seminar
- 248 Report on Companies

Editorial

- 249 Creep

Points in Practice

- 250 Perpetual Inventory Recording for FIFO and LIFO

Leading Articles

- 251 Equalisation Grants
- 252 Leaves from the Notebook of a Professional Accountant—Married Women (Restriction Upon Anticipation) Act, 1949—I
- 256 The Cost of Going to Law

Taxation

ARTICLE

- 258 Changes in the Finance Bill

NOTES

- 259 Building Society Interest
- 259 E.P.L. and the War Damage Business Scheme
- 260 Affiliation Orders

NOTES—continued

- 260 Double Taxation Relief—Tables of Effective Rates of Income Tax
- 260 Three Tax Guides

Readers' Points and Queries

- 260 Capital Statements

RECENT TAX CASES

- 264 TAX CASES—ADVANCE NOTE

THE STUDENT'S TAX COLUMNS

- 265 Furnished Lettings

Finance

- 266 The Month in the City

Letters to the Editor

- 266 Dividends—Gross or Net?
- 267 Points from Published Accounts

270 Publications

Law

- 271 Legal Notes

The Society of Incorporated Accountants

- 272 Mr. Festus Moffat, O.B.E., J.P., F.S.A.A.
- 272 Dinner to the Lord Mayor of London
- 272 Sir Harold Howitt
- 272 Incorporated Accountants' Benevolent Fund
- 273 Society Dinner
- 273 Results of Examinations, May 1953
- 278 Society's Examinations, November 1953
- 278 Incorporated Accountants' Students' Tie
- 278 District Societies and Branches
- 280 Personal Notes
- 280 Removals
- 280 Obituary

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Professional Notes

Accountants' Working Papers

POINTS OF IMPORTANCE TO ALL PRACTISING ACCOUNTANTS WERE DECIDED BY THE Court of Appeal in *Chantry Martin & Co. v. Martin* (*The Times Newspaper*, July 15, 1953). First, the Court held that, when accountants have been instructed to produce a balance sheet for a company for audit purposes, the working notes which they prepare are the property of the accountants and not of the company. The point arose in litigation between a firm of accountants and a former employee. Discovery of documents was ordered and the firm disclosed the evidence of the working papers, but objected to producing them on the ground that they were the property of the company. The Court said that the relationship between the accountants and the company was that of client and professional man and not that of principal and agent; therefore, on the principles laid down in *Leicestershire County Council v. Michael Faraday and Partners, Ltd.* (1941, 2 M.B. 205), which was concerned with rating surveyors, the working papers were the property of the accountants. It is, however, quite possible in some circumstances for a firm of

accountants to be in law the agents of the company instructing them and indeed in this case the firm of accountants engaged in some correspondence with the Inland Revenue on behalf of the company and their correspondence was held to be the property of the company. There is also no doubt that if an accountant is employed at a salary his working papers would be the property of his employers.

The second point decided by the Court was that production of the working papers could not be refused on the ground that this might disclose information given in confidence to the accountants, but they required the employee to give an undertaking that he would not use this information for any collateral purpose.

Putting Money to Work

The Council of the London Stock Exchange are to be congratulated upon their latest venture in public relations, a twelve-page pamphlet entitled *The Stock Exchange—A free market . . . through which money is put to work*. The appeal is meant to be a wide one and so rather over half the space is devoted to illustrations which, being representative, give no encouragement to the idea that stockbrokers live in an atmosphere of hectic excitement. It is something of an achievement to have compressed into the remaining space, without undue crowding, something of the history of the exchange, an account of how it works and what it does, explanations of many matters concerning which popular fallacies are rife and a concluding note in a "box" of its own under the title "How Many Investors Are There?", which points out that anyone who has money in a deposit or savings bank, building society or co-operative, or who pays contributions to an insurance office, pension fund or trade union, is indirectly an investor on the stock markets. Further, the relation between what any of these people pay and what they receive in benefit is largely determined by the skill with which their money is invested in stock exchange securities.

The pamphlet is on sale at 6d. on most bookstalls and it will be on offer at the public gallery at the exchange when it is opened later this year. The community of stockbrokers has a very large task ahead of it in attempting to

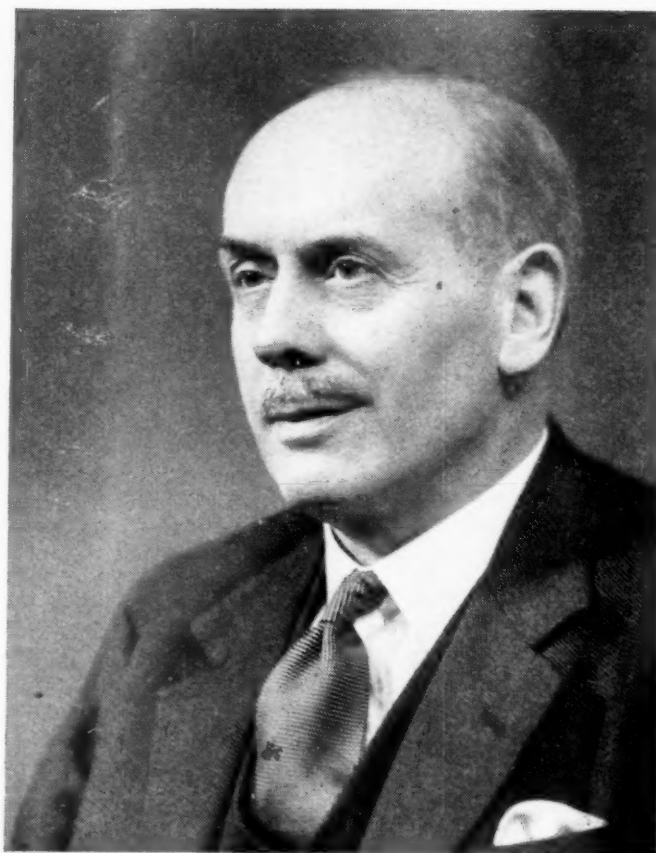
educate the public in the true place of their profession in the national economy, but this small pamphlet should go some way to cure the misconceptions of any well-disposed person on the nature and functions of the market.

Auditor's Valuation of Shares

The articles of a private company provided that upon a member's death his shares should be purchased by the directors at such price as was certified by the auditor to be in his opinion their fair value at the date of death and that in so certifying the auditor should be considered to act as an expert and not as an auditor. Upon the death of D., who held a controlling interest in the company, his shares were valued by the auditors and his executrix challenged the validity of the certificate. The motto of the case (*Dean v. Prince*, *The Times Newspaper*, June 27, 1953) is that silence is golden. Mr. Justice Harman pointed out that apart from fraud—of which there was no suggestion—the validity of the certificate could not have been challenged if the auditors had given no reasons. However, pressed by the executrix, they had explained to her the basis of their valuation, writing to her solicitors:

We enclose a few notes which we have prepared to show you how the points you raised have been allowed . . . In view of these trading results [certain figures quoted from the last balance sheet] . . . it was clear that no value could be put on the shares on a normal going-concern basis other than something purely nominal. It became necessary, therefore, to consider the only other basis which could apply—i.e. break-up value.

It was clear that the valuation was wrong. The partner of the firm of auditors said in evidence that he adhered to the view that if the assets were sold at an auction they would produce £7 a share and also that they could not have a greater value than that even if valued on a "going concern" basis. But this completely ignored the fact that the shares in question carried the controlling interest in the company—which had made a trading profit over a number of years and did not have to be wound up urgently. His Lordship therefore declared that the valuation was not binding on the executrix.



Sir Arthur Middleton, F.S.A.A., J.P.

Sir Arthur Middleton, F.S.A.A., J.P.

It gives us great pleasure to congratulate Sir Arthur Middleton, F.S.A.A., J.P., upon his receiving the honour of a Knighthood. Sir Arthur was knighted by Her Majesty the Queen on her visit to a reception given by him as Chairman of the London County Council, at County Hall on July 6.

Her Majesty, with the Duke of Edinburgh, and other members of the Royal Family, was received at the members' entrance of County Hall by the Lord Lieutenant of the County of London (Field-Marshal Viscount Alanbrooke), by the chairman of the council and by the clerk of the council, Sir Howard Roberts.

Mr. A. E. Middleton and Mrs. Middleton (as they then were) also received the large number of other guests, who included the Archbishop of Canterbury and Mrs. Fisher, the Lord President of the Council and the Marchioness of Salisbury, the Lord Privy Seal, Earl de la Warr, Viscount Swinton, the Bishop of London, Lord Leathers, the Lord

Mayor and Lady Mayoress, Mr. and Mrs. R. A. Butler, Mr. and Mrs. C. R. Attlee and many other distinguished persons.

Sir Arthur was Knighted in an ante-room during the reception. He was elected Coronation Year Chairman of the London County Council in April last, after serving as a member of the Council for 11 years. He is a senior partner in the firm of Cole, Dickens and Hills, of London, and a director of several companies. Sir Arthur became an Incorporated Accountant in 1917, taking honours in the Final Examination, and was elected to the Council of the Society in 1946. He is 60 years of age.

Since receiving his Knighthood, Sir Arthur has unhappily been ill in hospital, but is now convalescent. We extend to him our best wishes for a complete and speedy recovery.

More Honours

The conferring of honorary degrees upon two well-known members of the accountancy profession during July was a cause of pride and pleasure to

their fellow members of the Society and of the English Institute.

Mr. John Ainsworth, M.B.E., F.S.A.A., F.I.M.T.A., the City Treasurer of Liverpool, received the honorary degree of Master of Commerce of the University of Liverpool. The Public Orator said: "Our enjoyment of statistics is more confined to county cricket tables and football pools, but nevertheless we can scarcely forbear to cheer the supremely careful custodian of the public purse, particularly when he has off-driven the Australian fast bowler Macdonald for four, as Mr. Ainsworth once did, before he was out the next ball." Mr. Ainsworth is a Council member of the Society of Incorporated Accountants and in 1947 was President of the Institute of Municipal Treasurers and Accountants.

Sir Harold Howitt, G.B.E., D.S.O., M.C., F.C.A., was made an Honorary Doctor of Common Law of the University of Oxford. Sir Harold, a past President and a member of the Council of the Institute of Chartered Accountants in England and Wales, is a partner in Peat, Marwick, Mitchell & Co. He became an Honorary Member of the Society of Incorporated Accountants last March, in recognition of his services for the profession, in particular his outstanding contribution to successive International Congresses on Accounting.

We have pleasure also in recording that in addition to the Coronation Honours announced in our last issue (page 213), the C.B.E. has been awarded to Mr. J. R. Willis Alexander, M.A., LL.B., and the M.B.E. has been conferred upon Mr. F. W. E. King, F.S.A.A. Mr. Alexander was previously the Parliamentary Secretary of the Society of Incorporated Accountants, and is the immediate past-President of the Chartered Institute of Secretaries. Departing from precedent, the Institute of Arbitrators has re-elected Mr. Alexander as its President for a further year. Mr. King is a partner of Francis F. King & Son, of London and Amersham.

Deferred Repairs and E.P.T.

In the House of Commons last month the Chancellor of the Exchequer said that he could not extend beyond March 31 next the time limit within which repairs deferred from the Excess

Profits Tax period could be done and still qualify for relief from the tax.

Mr. Butler pointed out that this time limit would originally have expired at the end of 1949 and had already been extended twice. By the end of next March taxpayers liable to E.P.T. would have had more than seven years from the end of 1946, when E.P.T. ceased to be charged, to carry out any repairs which were deferred during the E.P.T. period.

It was most important to settle all E.P.T. liabilities as soon as possible, and any extension of the deferred repairs time limit would involve further delay in clearing up the tax.

Strengthening the Monopolies Commission

The Monopolies and Restrictive Practices Commission Bill seeks to strengthen the *Monopolies Commission* and to enable it to tackle more inquiries at a time. The Bill would allow the Board of Trade to appoint a chairman and two deputy chairmen. They would be appointed for the long term and would be pensionable. The maximum membership of the Commission would be increased from ten to twenty-five. The functions of the Commission would be exercised, not necessarily by the Commission as a whole as at present, but by separate groups of not less than five members.

In our last issue, we reported upon an examination of the methods of the Commission conducted by the Select Committee on Estimates (ACCOUNTANCY, July, 1953, page 232). The committee was concerned to secure a speeding-up of the accounting and costing inquiries of the Commission and referred particularly to the possibility of employing outside accountants. One outcome of this was an attempt by some members of the House of Commons to amend the Bill in committee so as to allow it to be composed of up to ten "assessor members" in addition to the maximum of twenty-five Commissioners proper. These assessor members would be experts, apparently industrial consultants and accountants, who would, to quote the member who moved the amendment (Mr. G. Darling, Labour, Sheffield,

Hillsborough), act in "an advisory capacity," not "to take responsibility for decisions or to make recommendations." The President of the Board of Trade resisted the amendment, saying that if from time to time the Commission needed assistance from outside accountants, there was no reason why they should not obtain it. Either, he argued, the assessor members were to be prevented from acting as ordinary members — which he considered an unsatisfactory arrangement, although some members thought the analogy of technical assessors in Admiralty cases in the Courts indicated that the assessor members would perform a valuable function. Or, he continued, the assessor members were to have the same powers as the Commissioners, when they might as well be Commissioners anyway. The House rejected the amendment.

National Insurance—1. Short Spells of Unemployment and Sickness

The Minister of National Insurance, Mr. Osbert Peake, has asked the National Insurance Advisory Committee, whose chairman is Sir Will Spens:

To consider whether the provisions governing the payment of National Insurance benefits for very short spells of unemployment or sickness are the most appropriate, particularly in those cases where a claimant is also receiving payments from an employer, and, if not, to make any recommendations which do not increase the liability of the Fund for those two benefits.

The immediate problem concerns benefit for short periods when the worker remains in the service of the employer though not fully employed throughout the week. This situation frequently arises, for example, because of the extension of the guaranteed wage agreements. A similar problem is created with the adoption of a five-day working week—now widespread—when short time is worked. The comparable rules for sickness benefit in circumstances such as these, particularly where sick pay schemes apply, are also to be reviewed by the committee.

The committee will consider representations sent before September 26, 1953 to the Secretary, National Insurance Advisory Committee, 10, John Adam Street, London, W.C.2.

National Insurance—2. Benefits for Occupational Diseases

The Minister of National Insurance has recently appointed a committee under the chairmanship of Mr. F. W. Beney, Q.C., to review the present provisions of the Industrial Injuries Act, under which benefit is paid for diseases and for personal injuries not caused by accident, and to make recommendations.

The committee will inquire into the extent to which persons who claim to be suffering from diseases due to their employment should be eligible for the special benefits of the Industrial Injuries Scheme. At the moment, apart from the "injury by accident" provisions, cover is given only for forty specified occupational diseases.

The committee invite interested persons and organisations to submit written evidence. Communications should be addressed to the Committee's Secretary, Mr. H. B. Lewin, M.B.E., Ministry of National Insurance, 10, John Adam Street, London, W.C.2.

British Firms of Accountants in South Africa

The Public Accountants and Auditors Act, passed by the South African Parliament about two years ago, prohibits in Section 30 firms from practising in the Union under firm names which include the names of partners who are not and have not been resident there. It also forbids the passing of commissions between the South African branches of international firms of accountants and their overseas principals. However, at the last moment of the legislation the operation of these provisions was suspended for a period of five years (ACCOUNTANCY, April, 1951, page 127; May, 1951, page 166; June, 1951, page 203, and July, 1951, page 251).

On June 15 last the Public Accountants' and Auditors' Board began an inquiry into Section 30 of the Act, but after a few days' hearings adjourned until August 3 for fresh evidence. It is understood that opinions in the Union on the subject of Section 30 are mixed, and it certainly cannot be forecast whether the international firms—which include a number of large British firms of

accountants—will be excluded from practising in the Union under their firms' names in three years' time, or whether Section 30 will prove to be inoperative.

Professor Bray's Research Lectures and Seminar

Professor F. Sewell Bray, the Stamp-Martin Professor of Accounting, will give two research lectures at Incorporated Accountants' Hall during the Michaelmas term, 1953, as follows:

Monday, October 19 — Research Lecture entitled *The Formal Principles of Public Company Accounting*, at 6 p.m.
Monday, December 7 — Research Lecture entitled *Accounting Dynamics*, at 6 p.m.

Both lectures are open to all who wish to attend.

Professor Bray will also hold an autumn seminar on *Business Forecasting*, on Monday, October 26, at 6 p.m. Mr. S. F. James, of Nottingham University, will read a short paper, which will be followed by a seminar discussion. Senior accountancy students who wish to attend should send in their names to Mr. T. W. South, the secretary of the Incorporated Accountants' Research Committee, at Incorporated Accountants' Hall. The attendance will necessarily have to be restricted and places will therefore be allotted in order of application, but if sufficient applications are received Professor Bray plans to repeat the seminar. Personal invitations will be sent to a number of qualified accountants who are interested, but any other qualified accountant who would like to attend is asked to send in his name.

Report on Companies

In 1952 the postwar decline in company registrations continued, as the following figures show:

Registrations of New Companies

1947	...	...	21,753
1948	...	...	16,344
1949	...	...	14,448
1950	...	...	13,906
1951	...	...	13,524
1952	...	...	12,296

The nominal capital of last year's new companies totalled only £52 million

compared with a total of £96 million the previous year.

At the end of 1952 there were 277,664 companies on the registers, 7,647 more than at the end of 1951. Their total paid-up capital was £6,300 million. Of these companies 11,587, with a paid-up capital of £3,970 million, were public companies with a share capital—a smaller number of public companies and a smaller total capital than in 1939 (13,920 companies with £4,117 million capital). The number and the capital of private companies with a share capital continued to expand, however, being 250,927 and £2,330 million at the end of 1952, compared with 146,735 and £1,923 million in 1939.

Of the private companies existing at the end of 1952, 73.5 per cent. had filed with their annual returns a certificate under Section 129(1)(b) of the Companies Act, 1948, as exempt private companies and did not, therefore, file copies of their balance sheets and profit and loss accounts with the Registrar of Companies.

Under the provisions of Section 161(1)(b) of the Act, the Board of Trade authorised the appointment as auditors of 54 persons who were not members of any of the recognised bodies of accountants, bringing the total number of authorisations up to 500. Of these, 232 were deemed to have similar qualifications obtained outside the United Kingdom; 246 had practised in Great Britain as accountants before August 6, 1947; and 22 were authorised as having obtained adequate knowledge and experience in the course of employment by a member of a recognised body of accountants.

During 1952, 3,323 winding-up proceedings were begun, 2,878 of them voluntary liquidations and 445 compulsory liquidations.

The Board of Trade refused to register some 5,000 companies by names, originally submitted, which were considered undesirable; of these, some 4,100 were rejected as being too close to names already on the Register.

The statistics given here, and many others relating to companies, are contained in *Companies—General Annual Report by the Board of Trade for the year ending December 31, 1952*, obtainable from Her Majesty's Stationery Office at 1s. 3d. net.

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Creep

OLD SAWS USUALLY MAKE GOOD LOGIC.

The adage, for example, that the shoemaker should stick to his last has offered sound economic advice since Cicero two thousand years ago enjoined the cobbler *ne sutor supra crepidam*. Correctly understood, it does not preclude a few shoemakers from being village cricketers or Channel swimmers in their spare time, or from leaving their workshops for good to become bookmakers or Cabinet Ministers. But it does mean that skills are extremely personal in their incidence, that the majority of specialists are best employed in their specialist jobs and that the division of labour is generally advantageous.

As for persons, so for businesses. But because the operations of a business are far more complex, it is much more difficult to apply the principle of specialisation to it in any precise manner. It can soon be detected when the individual shoemaker is abandoning his last, but the boot and shoe company will necessarily engage in many activities apart from the actual shaping of leather into footwear. It will be quite economic for it to perform a number of ancillary operations, instead of paying outsiders to do them; the company may well make not only shoes, but also tools and machines for the making of shoes, boxes to pack the shoes in, and packing cases in which to pack the boxes. There will be no offence against the principle of specialisation, all the time it is economic for the company to conduct these ancillary operations. But there is a danger that too many minor activities may attach themselves to the main function of the company, that ancillary activities may be indulged in when they cannot be shown to pay.

There is no doubt that many companies do extend their operations uneconomically. An American, Professor L. Dixon, writing in the *Journal of Accountancy* (New York) for July, 1953, has given the apt name of "creep" to this tendency for the business to move uneconomically into new areas. Creep is very common in successful companies, but it may also be the cause of failure. It may occur unconsciously, not as the result of a formal decision of the company, but rather as an edging into the picture of some new activity "starting with the incidental, part-time activity of one or more employees, but ending up later as full-fledged departments." Or it may be deliberately propagated; the added activities may be undertaken because they seem to offer cost-saving opportunities.

Professor Dixon enters a warning against insidious creep of the first type, which must be ascribed to neglect or indifference of the management. But his main discussion is of calculated creep of the second type, which is due to management errors, incorrect costings, accounting distortions. The reasoning leading up to the extension of the company's activities is somewhat as follows:

because we have an established plant and organisation, an important portion of our costs is pretty well fixed; these costs will go on at approximately the same level whether our plant is fully or only partially used; it follows then that we can add odd jobs here or there, call them sideline or self-service activities, without causing increases in these fixed costs... we need consider only the variable costs of our existing organisation, the variable costs of the added activity, and, in cases where new equipment and new permanent personnel are required, certain added fixed costs... In many cases...

the management may go so far as to exclude overhead costs altogether in the computation of the costs to be added. They reason that addition of new activity should not relieve the old activity of any overhead costs.

This virtual exclusion of fixed costs is almost always fallacious. If the company can permanently extend its operations without adding to its fixed costs, something is seriously wrong—the company is over-staffed and over-equipped for its regular work. Says Professor Dixon:

Fixed costs commensurate with the added activity will inevitably "creep" into the total cost picture, because even though there may be no immediate addition to the fixed costs, the added activities will encroach upon the available capacity, and sooner or later this will lead to an actual, though unanticipated and perhaps unrecognised, increase in fixed costs.

If the new activity is to be more or less permanently attached—as when the company embarks upon its own printing, its own toolmaking, or its own supply of components—a "partial costs" schedule, which ignores overheads, is quite inappropriate. There should be included on the costs schedule a due part of all overheads, including administrative overheads. Further, there should also be included an allowance for profit. To justify the extension of operations, the best available price from an outside source must be shown not only to be more than the estimated full cost of production, with no apportionable costs omitted, "but it should be higher by an amount at least equal to the rate of profit which the company is able to make through its principal operations." Only if an activity added on a "bargain" basis is resolutely regarded as a temporary addition is it proper to calculate on partial costs. Such an activity might, for example, be one which could be started and stopped more or less at will to fill in slack periods in the main operations of the company.

Professor Dixon rightly points to the need for constant watchfulness against actual or potential creep in a business. There should, he thinks, be a fairly continuous study of ancillary activities and for such a study he coins the term "ancillary audit." It seems probable that many larger companies would find that an activity audit would more than pay for itself.

Points in Practice

PERPETUAL INVENTORY RECORDING FOR FIFO AND LIFO

MUCH HAS BEEN WRITTEN ABOUT THE EFFECTS of the FIFO and LIFO methods of stock valuation, but what of the mechanics of stock recording required by these two different systems? An example of the records needed by the systems may assist in understanding the advantages or disadvantages claimed by their advocates, even though those advantages and disadvantages involve broader issues of principle.

To give as complete a picture as possible, the chief characteristics of the two systems may first be summarised. The FIFO system assumes that the cost of the items first received into stock is the cost assigned to the items first removed from stock and is a charge against the income received from sales. From this it follows that the value ascribed to the closing stock figure is the cost of the items received into stock last of all. It is not necessary that the actual physical issue of stock should be in this

order—merely but that the method of charging issues should follow the accounting assumption of "first-in-first-out."

The LIFO system assumes the converse, that the cost of the last items received into stock is assigned to the items first taken out of stock. It follows that the value of the closing stock figure is taken at the cost of the goods still on hand and received first into stock. It also follows that in the main the cost of sales reflects the replacement cost of the goods sold.

During a period of rising prices, under a system other than LIFO, there is bound to be a profit content tied up in the closing stock figure which is not realised unless the stock is sold at the high price level. If a sale at this high price does not take place then there is a loss. This factor is of particular importance where stock figures constitute a major part of the total assets or are high in relation to sales figures. Furthermore, it is

an unfortunate fact that a profit of this nature, when disclosed by the accounts, is not recognised as the ephemeral thing that it so often is, and unsound financial policies are indulged in—for example, excessive dividends may be paid or there may be an unjustified expansion of the business or overtrading.

It is not the present purpose, however, to debate the broad *pros* and *cons* of the two systems but simply to illustrate their workings by sample stock records. Below, we give an example of a FIFO stock card and, next, an example of what happens if the same figures are used, but the LIFO method is followed in the recording of stock.

From a comparison of the prices at which the goods were costed out to sales and the values of the final stock on hand, it can be seen how the principles of the two systems, as briefly described above, are applied.

Specimen Stock Card—1

Item Bearing Code 673c

Item Bearing Code 673c				FIFO			Minimum Quantity Maximum Quantity		BALANCE		
DATE		Quantity	PURCHASE Price	Amount	Quantity	ISSUE Price	Amount	Quantity	Price	Amount	
1953								2,000	20/-	£2,000	
June	1										
	6	6,000	22/-	£6,600				2,000	20/-		
								6,000	22/-	£8,600	
	14				2,000	20/-	£2,000				
					2,000	22/-	£2,200	4,000	22/-	£4,400	
	16	4,000	24/-	£4,800				4,000	22/-		
								4,000	24/-	£9,200	
	20				4,000	22/-	£4,400				
					3,000	24/-	£3,600	1,000	24/-	£1,200	

Specimen Stock Card—2

Item Bearing Code 673c

Specimen Stock Card—2					LIFO			Minimum Quantity		
Item Bearing Code 673c								Maximum Quantity		
DATE		PURCHASE			ISSUE			BALANCE		
1953		Quantity	Price	Amount	Quantity	Price	Amount	Quantity	Price	Amount
June	1							2,000	20/-	£2,000
	6	6,000	22/-	£6,600				2,000	20/-	
								6,000	22/-	£8,600
	14				4,000	22/-	£4,400	2,000	20/-	
								2,000	22/-	£4,200
	16	4,000	24/-	£4,800				2,000	20/-	
								2,000	22/-	
								4,000	24/-	£9,000
	20				4,000	24/-	£4,800			
					2,000	22/-	£2,200			
					1,000	20/-	£1,000	1,000	20/-	£1,000

Equalisation Grants

[CONTRIBUTED]

THE COMMITTEE APPOINTED BY THE Minister of Housing and Local Government to investigate the operation of equalisation grants accepted a difficult task. It was expected to point to ways of remedying the defects of the present form of the grants, whilst observing the Minister's strict instruction to avoid any change which would increase the charge on the Exchequer. The Committee's report has now been published,* and is to be discussed with the associations of local authorities. Legislation will be required to implement the Committee's recommendations.

The Committee considered the use of rateable values as the basis of the grant. Officers of the Inland Revenue confirmed the general opinion that throughout the country there is a serious lack of uniformity in rating assessments. They said that it would be impracticable to produce an index of the degree of error in each area before the work of revaluation is completed, which cannot be earlier than 1956. Because rateable values, however incorrect they may be, determine a local authority's ability to raise revenue, the Committee could not find any other effective measure of an authority's wealth or poverty, and the report observes that there is in fact little evidence that the areas which receive most grant are those which are most under-assessed. The Committee therefore rejects the proposal, urged by the twenty-seven county boroughs which do not receive equalisation grant, that part of the grant should be distributed on the basis of population (see the review of the report by the Treasurers of these county boroughs, published in *ACCOUNTANCY* for June, 1953, pages 174-5).

In the face of the evidence the Committee's conclusion that there is need for an interim adjustment of the grant before the new valuations are ready may seem somewhat perverse. It is proposed that without disturbing the present method of calculating grant

for the majority of authorities, grant shall also be paid to authorities with a rateable value per head of weighted population between the present datum line (approximately £6.2) and £7. The grant payable to an authority thus newly qualified to receive it is not to exceed the equivalent of a shilling rate; every authority now receiving grant is to have the equivalent of a shilling rate as a minimum.

Three more counties and nine county boroughs would thus become entitled to grant; six authorities would have their grants increased. The cost of the additional payments would be recovered by means of a rateable deduction from the remaining grant-earning authorities: they would lose rather more than a threepenny rate.

There are also proposals for the introduction of additional factors into the calculation of weighted population. The datum line for sparsity is to be moved from seventy to one hundred persons per mile of roads, with an adjustment of the formula limiting the gains of authorities which already benefit from the weighting. New weightings are proposed, to compensate authorities which have suffered considerable losses of population and to assist county councils which are bearing the heavy expense of abnormal increases of population. The cost of these changes is to be met by a contribution of something less than a twopenny rate from all grant-earning authorities.

The Committee recommends a radical change in the system of payments to county district councils. In place of the present capitation grants, which are paid from the general county fund whether or not the county council receives equalisation grant, it is proposed that each district council which has a rateable value per head of population below the national average shall receive, from the Exchequer, a grant of a percentage of its expenditure proportional to its deficiency of rateable value. No distinction is to be made between urban and rural authorities.

County councils would no longer receive grant on the expenditure of the county districts and special county expenses. The report says that this saving to the Exchequer should approximately meet the cost of the new payments to district councils.

Although this proposal would substantially reduce the range of rate poundages in those counties where it is at present highest, there would be some remarkable reversals of fortune. The wealthier urban districts, which in 1953-54 receive a grant of 19s. per person, would get nothing, and would also have to meet heavier county precepts. The report proposes limiting the total loss of any authority to a rate of 1s. 6d. in the first year, and 2s. 6d. in the second year. The districts poor in rateable value would receive grants which in some cases would exceed 60 per cent. of the local expenditure. The greatest gain shown in some specimen calculations based on 1951-52 figures is equivalent to a rate of 6s. 6d. in the pound. The spending enthusiasm of authorities which would receive a high percentage grant is to be checked by a device regulating grant-earning expenditure by reference to the average expenditure of all authorities of the same class.

Because of its relatively high rateable value the London County Council does not receive equalisation grant, but the metropolitan boroughs which have an average rateable value per head less than the average of the county of London receive grants calculated in accordance with the principles of the main grant; the amount required to meet the payments is levied as a rate by the London County Council. This scheme has proved in practice to take insufficient account of the peculiar needs and resources of the extremely diverse metropolitan authorities. The Committee therefore proposes a new scheme which will allow each borough to draw approximately 70 per cent. of its expenditure from a central pool financed by rateable contributions from the whole county. The proposal guards

* Report of the committee appointed to investigate the operation of the Exchequer Equalisation Grants in England and Wales. (Her Majesty's Stationery Office. Price 2s. net.)

against extravagance by the introduction of "standards" of expenditure, and to avoid abrupt rate increases in "losing" boroughs, recommends that the change should be made effective in two stages in successive years.

The Committee acknowledges the special assistance it has received from the published studies of other persons and bodies. In the report there are many references to the work of the joint research team of the Society of

Incorporated Accountants, the Institute of Municipal Treasurers, the Society of County Treasurers and the University College of the South West (Exeter), first under the chairmanship of Mr. Leo T. Little, and later under Mr. J. B. Woodham, which produced a series of reports on "The Effects of the Local Government Act, 1948, and other Recent Legislation on the Finances of Local Authorities," published in *Accounting Research* and *Local Government*

Finance. In particular, the Committee's proposals relating to payments to county districts are modelled very closely on the conclusions of the team. It is, however, interesting to speculate what comparative standard the Committee had in mind in dismissing one of the team's minor suggestions for the technical improvement of the grant formula as something which would make the formula "less easily comprehended by laymen."

Leaves from the Notebook of a Professional Accountant

Married Women (Restraint Upon Anticipation) Act, 1949—I

By ERNEST EVAN SPICER, F.C.A.

WHEN SIGNOR ANTONIO, THE MERCHANT OF VENICE, BADE Bassanio "Go forth; Try what my credit can in Venice do," he presumably did so, to assist his impecunious friend to find a wife, whose fortune was in no way controlled by trustees, or otherwise hampered by any restraint upon anticipation.

It must also be presumed that Bassanio, before leaving Venice, satisfied himself that no Married Women's Property Act had—up to that date—been introduced in Belmont.

He was unquestionably hard pressed for ready cash, and doubtless the idea of ridding himself of all pecuniary embarrassment, by the simple expedient of taking to himself a wife, who was not only immensely wealthy, but—better still—virtuous and beautiful, must have presented considerable attraction to a not over-scrupulous spendthrift.

Had Portia in reality been the "unlessoned girl, unschooled and unpractised" that she made herself out to be, we might have trembled for her future, but, knowing her character, we are fully convinced that any form of legalised protection would have been wasted on her. Rather do we feel that Bassanio needed advice from the poor man's lawyer, because, unless we are gravely mistaken, he was placed upon a modest fixed allowance, payable quarterly, immediately after the honeymoon had terminated.

Did Jane Austen's heroine, Eliza Bennet, need the protection of the law to guard her modest fortune from assault by Mr. Fitzwilliam Darcy? We doubt it. As to Becky Sharp, the boot was undoubtedly on the other foot, since no legal armour could possibly have protected the fortune of any man whom she chose to wed. But what about the gentle Amelias of those days? Did not they call for protection? They certainly would have needed all that the law could give them, had they been blessed with material fortunes such as Portia had inherited from her father,

but fortunately such fortunes as they were able to bring with them were of a more ethereal character.

Does the Married Women (Restraint upon Anticipation) Act, 1949, (which deprives the married ladies of today of all protection against undue influence on the part of wicked husbands) weaken their position, or does it merely restore to them rights wrested from them by man-made laws? We leave it to the ladies themselves to pronounce a final verdict. Speaking for ourselves, the mere suggestion that a twentieth century bride could—even in a moment of extreme weakness—be bullied into selling her birthright in order to finance some "wild cat" speculation conceived by her husband, whom she adored or feared, appears ridiculous in the extreme. Surely women, who enjoy the franchise, have long since ceased, either to adore or to fear, their respective spouses?

Our object, however, is not to make any invidious comparisons between the Portias of yesterday and today, but rather to consider an example of legislation, which, like the Inner Circle Railway, has completed an elliptical journey and has returned once again to its starting point.

* * *

Prior to the Married Women's Property Acts, the common law made a wife's chattels the absolute property of her husband. In the eyes of the law, husband and wife were one and the same person. From this it followed that, in strict law, a husband could not make any valid presents to his wife, since, by attempting to do so, he was, in effect, giving something to himself. Thus, if he gave her jewels or other ornaments, he was merely lending them to her for the purpose of adorning herself, and in no sense gifting them to her absolutely, with the object of providing her with a separate estate. In these circumstances a wife

could not sell or otherwise dispose of such property without the consent of her lord and master.

It was probably for this reason that when the second Mrs. Dombey left her husband, she cast aside, not only all the ornaments and jewels which Mr. Dombey had given her, but also everything which she had possessed since she became his wife.

Another consequence of the legal fiction was that if, prior to marriage, there had existed between the loving couple, any mutual agreements or contracts, such compacts were dissolved immediately the love-birds were proclaimed man and wife at the hymeneal altar. Obviously a man could not enter into a contract with himself. This unity was, to a very large extent, one-sided, because it was the wife who was merged in the husband and became his vassal, and not the husband in the wife.

It was very necessary, therefore, in those far-off days, for a lady to satisfy herself, beyond all reasonable doubt, that the intentions of the man, who knelt before her, were strictly honourable and that the real prize, which he sought, was her hand and heart rather than the worldly goods of which she was possessed. If we read Jane Austen's masterpieces, we shall see that the ladies were not wholly insensible to these important considerations, and it is possible that they were as fully capable of looking after themselves as are their sisters of today. In any case, should we ever find ourselves criticising the severity of parental control in those days, we should have regard to the perils which marriage imposed on young and inexperienced girls. In some ways married women were, perhaps, better off then than now. They enjoyed privileges rather than rights and they exercised power, such as few women of today can boast. These privileges were not all mere courtesies prompted by chivalry. Many of them rested on much surer foundations. To mention but one, married women were completely immune from punishment in certain cases of crime, committed in the presence and on the presumed coercion of the husband. "So great a favourite is the female sex of the laws of England," was Blackstone's terse comment on this curious privilege.

It is not, however, the common law with which we are concerned. Equity gradually intervened for the protection of the married woman. The Court of Chancery steadily evolved the doctrine of the "separate estate" for her benefit. The principle was originally admitted in a case where a fund had been provided for the maintenance of the wife, while living apart from her husband. It was later extended to include property given to trustees for her separate use. This she could hold and dispose of in equity, free from interference by her husband and without obligation to his creditors.

As a further protection to the wife, Lord Thurlow, at the end of the eighteenth century invented the "restraint on anticipation" as a clause to incorporate in settlement deeds. The clause made the capital or income, or both, incapable of alienation or anticipation, so long as the beneficiary was a married woman. The effectiveness of the clause was finally established in the Courts in the year 1817.

The restraint could only be imposed in respect of such property as equity made the separate estate of a married woman free from the control of her husband: or, after the

Married Women's Property Act, 1882, to property made the separate estate of a married woman by that Act. No particular form of words was required to create the restraint, provided the intention was sufficiently clear. The restraint was inoperative prior to marriage, after a divorce and prior to re-marriage, or during widowhood.

From the above remarks it is clear that at that time there had arisen a very general recognition that a married woman needed protection, to guard her against imprudent action resulting from her own lack of business experience, or from undue influence on the part of her husband. By rendering it legally impossible for a wife to alienate either the capital or the income of the trust property, the husband's power to exercise pressure on her, automatically disappeared. It also enabled the wife's parents to be more generous to their daughter in cases where there existed a lack of confidence in the son-in-law. On the whole, the clause fulfilled a very useful purpose and ensured that the settler's intentions were not disregarded.

It was not until the advent of the year 1914 that anything occurred to upset the general harmony. The abolition of Settlement Estate Duty under the Finance Act of that year dealt the initial blow at settled property and although, at the time, few people fully realised the shattering nature of the assault, it has since been brought home to them in no uncertain manner.

It is unnecessary to labour the matter because the subject was discussed in a previous article.* It is sufficient to remark that it provided the first solid argument in favour of the abolition of the restraint upon anticipation.

Later in this same year 1914, World War I broke loose upon Europe and upset all preconceived ideas. The drastic and sudden increase in both income tax and super-tax reduced the spendable incomes of life tenants so considerably that in numerous cases very great hardships resulted. Many married women, having no capital resources on which to fall back, and being unable immediately to retrench sufficiently to meet the greatly altered circumstances, got into arrears with their annual payments, including super-tax, and later sur-tax. Paradoxically those who enjoyed the largest gross incomes, experienced the greatest difficulty in meeting their obligations. They occupied, as a matter of course, the larger houses and were thus burdened with heavy dead charges, such as rent, rates, taxes, allowances to old retainers, essential repairs, insurance premiums, subscriptions to charities and other expenses which, either legally or in honour, they could not curtail at a moment's notice. Such people, having the reputation of being wealthy, naturally got very little sympathy from the general public; for who sheds tears for those who live in lordly mansions?

In some cases the position became so serious that application had to be made to the Court for relief from the restraints, and in suitable cases relief was granted. Obviously, the Courts were bound to look very closely into all the circumstances of each application which came before them, to ensure that a genuine case for relief existed. Sometimes relief was granted subject to conditions, in which case trustees were appointed to hold the capital

* See ACCOUNTANCY, November 1950 (pages 400-407.)

money raised as a result of a partial sale of a life interest and to administer it in accordance with the Court Order.

The intentions of the settlor also had to be considered, since otherwise a married woman might find herself, at a later date, without a roof to cover her head. Usually, therefore, relief was refused, unless she could satisfy the Court that she would still have an assured income, sufficient to maintain her, assuming relief were granted.

The main objection to an application to the Court, by a hard pressed life tenant, was the expense occasioned thereby, and thus gradually there arose a very definite demand for the abolition of all restraint upon anticipation. Why should a married woman be treated differently from a spinster, a widow, a divorcee or a male life tenant?

The eventual result of this growing agitation for relief against restraint, which was rapidly becoming intolerable, was the introduction of the Married Women (Restraint upon Anticipation) Act, 1949, after a Private Bill had been introduced and rejected.

Let us, however, deal with one or two cases, which arose before this Act was passed, in order to see what steps were taken to circumvent the general rule regarding restraint upon anticipation.

ILLUSTRATION ONE

The Whiting family were naturally very shocked when, in the year 1937, they learnt that Selina, wife of Sebastian Whiting, the portrait painter, had instituted divorce proceedings against her husband, citing as intervener Miss Prudence Tibitz, his private secretary. They could not believe it possible that a marriage, which to all outward appearance was founded on a rock, could end so suddenly and so vulgarly.

The Rev. Stephen Collins also was greatly disturbed. He had always regarded Mr. Whiting as a "pillar of episcopacy," and regularly had received from him, on New Year's Day, a welcome refresher in £1 notes. He trembled to think that a man, so gifted and so rich, could be guilty of such depravity.

The case was undefended, Mr. Whiting having written from America—whither he had journeyed, accompanied by Miss Tibitz, ostensibly to paint the portraits of a number of distinguished American businessmen—stating that he was determined to do all in his power to see that the undertaking on which he had embarked, after much heart searching, should prove a resounding and rejuvenating success and that Prudence was looking forward to the day when she could marry the man whom she had learnt to love.

In due course Selina obtained her decree absolute, and finding herself, once again, a *feme sole*, immediately sold her life interest in the trust fund created by her late father, to the British Divorcees Mutual Benefit Assurance Company, Ltd. for the sum of £42,300.

Ten days after this transaction had been successfully negotiated and the money had been duly paid into the bank, Mr. Sebastian Whiting returned to this country, and found Selina with outstretched arms, awaiting his arrival at Southampton Dock.

We are not at liberty to divulge the conversation which passed between them as they journeyed back to London

together; it is enough to state that, within one short month, they were reunited in the bonds of Holy Matrimony at the Marylebone Registry Office.

The explanation offered by Selina to the Rev. Stephen Collins was that she had been misled by Sebastian's letter into thinking that he had forgotten the vows which he had made at the altar. She now realised that he had never been unfaithful to her; that the undertaking on which he had embarked had reference to his acceptance of the American invitation to paint the portraits of leading citizens and not to any disgraceful entanglement, as she had mistakenly supposed to be the case, and that his sole reason for taking Miss Prudence Tibitz with him to the States was to enable that conscientious and hard-working lady to meet her fiancé in New York, where he was employed as Chief Accountant to a firm of wholesale undertakers.

Mr. Whiting's explanation was equally convincing. His visit to America had been unduly prolonged as a result of repeated attacks of "painter's cramp" which had prevented him from completing more than one portrait a month and had rendered it impossible for him to write any letters. He had heard nothing whatever about the action which Selina had so misguidedly taken, until he read about his divorce in the *Chicago Morning Post*. Naturally, he was deeply shocked by this astounding piece of news, and being completely bewildered, had immediately booked his return passage, having first cabled to Selina to meet him at Southampton, so as to afford him, at the earliest possible moment, the explanations which he deemed to be his due. As to Miss Prudence Tibitz, he thought that Selina was aware that she was engaged to be married to Mr. Leonard Longpole of New York City and that she approved of his taking her with him.

The only satisfactory element in this hideous affair was Selina's prescience in taking advantage of her short freedom from marital bonds, to overcome the restraint upon anticipation in the matter of her trust fund.

As a married woman it was estimated that her net spendable income from the trust would approximate £800 per annum and with an expectation of life of twenty years, the most she could expect to receive, after taxation, over the entire period, was about £16,000.

To exchange this uncertain future income for a capital sum down of £42,300 was—to say the least—good business, which to some extent had compensated both parties for the mental anguish which their misunderstanding and their temporary separation had occasioned.

These explanations were accepted with heartfelt thankfulness by the entire Whiting family—with the exception of Mrs. Lucien Whiting ("Lucky Lucy") who persisted in regarding the whole affair as a "put up" job—and great was the rejoicing that the prodigal sheep had returned safely and unshorn, to the fold.

As Mrs. Collins feelingly remarked to Sir Ambrose Whiting at dinner on the following New Year's Day, her husband, as a result of these glad tidings, had renewed his strength and had gone forth before his people like a he-goat on the mountains.

* * *

The above example may or may not illustrate the length to which in the past some married women were prepared

to go to free themselves from what they deemed to be an unjustifiable interference with the liberty of the subject. Mrs. Lucien Whiting is convinced that it does, but, as she is alone in so thinking, we must assume that she is in error, more particularly as the Rev. Stephen Collins has declared, with no uncertain voice, that Mrs. Sebastian Whiting's action—ill-advised and misconceived though it undoubtedly was—nevertheless demonstrated an understanding of the inviolability of connubial vows, which was very heartening to observe and which enabled him to adopt a more lenient attitude towards her case than otherwise would have been possible.

* * *

For our second example we choose a case which is in no way suspect; which came before the Courts and where mercy seasoned justice.

ILLUSTRATION TWO

Mr. Julius van der Glind, the well-known merchant banker, died in the year 1902 and under his will he settled £2,000,000 2½ per cent. Consols on his only daughter Margaretta for life, with remainder over to her issue absolutely, or failing issue to such of his nephews and nieces as might be living at the date of his daughter's death.

Settlement Estate Duty was paid on this settled property at the date of Mr. van der Glind's death, thus freeing it from all further estate duty on the death of Margaretta, under the law as it existed at that time.

The Westminster Bank were appointed sole trustees with discretion as to the amount of income which they should hand over to Margaretta prior to reaching the age of 25 or earlier marriage. There was the usual clause regarding restraint upon anticipation, and the trustees were forbidden to make any change in the investment, save by leave of the Court.

On October 6, 1903, Margaretta married Captain Fitzroy Marsden, D.S.O., a young officer, who had greatly distinguished himself in the South African War, and who had been invalided out of the Army with the loss of his right arm and a left hand which had been rendered well-nigh useless.

It is unnecessary to recount the story of their romance. It is enough to say that it was a genuine love match and that it was not Margaretta's fortune which had attracted the gallant captain. In fact, it was this very fortune that nearly robbed them of their happiness and it was only after Margaretta had assured him again and again that money meant nothing to her, and that all she wanted in life was to help him to overcome the great disabilities that the war had brought upon him, and to use her money to help others, that he was able to convince himself that he could marry her with a clear conscience, in spite of her wealth.

As everybody knows their life together has been supremely happy and that they have worthily lived up to the lofty ideal which they set before them. From the day of their marriage to the present time their one aim has been to use their money wisely in the public interest, and nobody can say they have not succeeded.

Since the year 1930, however, owing to the heavy burden of ever increasing taxation they have found themselves

forced to curtail their benefactions very greatly, but even so they were unable to do this sufficiently rapidly to avoid getting into arrear, not only with the obligations which they had voluntarily assumed, but also with their legal obligations. In particular, notwithstanding every effort to meet the liability, the amount outstanding in respect of sur-tax mounted so rapidly that by the year 1947 it became obvious that they could never hope to cope with it unless the Court were willing to grant to Mrs. Marsden some relief from the restraint upon anticipation, to enable her to sell a slice of her future income to provide a capital sum sufficient to meet all outstanding liabilities. Doubtless, there are many wise people in the world who will condemn them and say that people, with huge incomes, should not get into arrear with taxation, and that they should be just before being generous. We are, of course, aware of all these pious platitudes, but how many of these righteous people realise the extent to which Mrs. Marsden's net spendable income has been reduced since she married Captain Marsden in the year 1903? The following statement will, at any rate, satisfy them that these rich people have not been forgotten by the Chancellor of the Exchequer.

Statement showing Taxation to which the Trust Income has been subjected.

Trust income from £2,000,000 2½ per cent. Consols equals £50,000 per annum gross.

Note: In the year 1947-48 the Chancellor introduced his "once for all" contribution which, in the case of trust income, was chargeable against the capital of the trust.

In Mrs. Marsden's case this Special Contribution amounted to £24,125 and involved the sale of £33,500 Consols at £72, the price ruling at the time.

This reduced the gross income in the year 1949 by £837 10s. to £49,162 10s. which, for purposes of the statement is shown as £49,000.

INCOME TAX AND SUR-TAX						
Year	Gross Income	Standard Rate of I. T.	Income Tax	Super Tax or Sur-tax	Total Taxation	Net Spendable Income
1904	50,000	1/-	2,500	Nil	2,500	47,500
1910	50,000	1/2	2,917	1,125	4,042	45,958
1915	50,000	3/-	7,500	7,779	15,279	34,721
1930	50,000	4/6	11,250	15,957	27,207	22,793
1945	50,000	10/-	25,000	20,569	45,569	4,431
1949	49,000	9/-	22,050	22,188	44,238	4,762

Note: It will be observed that whereas in the year 1910, the total taxation was £4,042 and the net spendable income £45,958, these figures have now to all intents and purposes been reversed.

It is suggested that in practice persons starting with a net spendable income of £47,500 may experience some little difficulty in cutting down their obligations rapidly to enable them to make ends meet on one tenth of that figure.

ESTATE DUTY					
Year	Nominal Value of Consols	Price	Market Value	Rate of Estate Duty	Duty payable assuming death of Mrs. Marsden
1904	2,000,000	88½	1,762,500	—	Nil
1910	2,000,000	88½	1,775,000	—	Nil
1915	2,000,000	65½	1,300,625	20%	260,125
1930	2,000,000	55½	1,106,666	40%	442,666
1945	2,000,000	83½	1,665,000	58½%	974,025
1949	1,996,500	72	1,415,880	80%	1,132,704

Note: £33,500 Consols were sold at £72 in the year 1948 to meet the Special Contribution and realised £24,125.

Captain and Mrs. Marsden had no children and so on the death of Mrs. Marsden the capital of the trust, after the payment of estate duty, will be divided between the nephews and nieces of the late Mr. van der Glind living at that date.

At the moment they number twenty-eight, and assuming Mrs. Marsden died tomorrow, and that the market value of Consols was £72, and the rate of estate duty remained at 80 per cent., each would receive approximately £10,000.

In this connection it should be remembered that in the year 1904 it was agreed by the British Government that if Settlement Estate Duty were paid on the death of the late Mr. Julius van der Glind, the capital should be freed from estate duty on the death of Mrs. Marsden.

The Government, however, treated the agreement as a mere scrap of paper in the year 1914 (thereby setting an evil precedent to the Germans) by introducing legislation which was retro-active to trusts which had duly fulfilled their part of the bargain.

Thus, in reckoning the additional burden thrown upon trust property in recent years, the liability to estate duty, in this case, say, £1,132,704, should not be entirely overlooked.

* * *

It happened that in the year 1947 Captain Marsden happened to meet Sir Ambrose Whiting, and in the course of conversation he mentioned the difficulties which he and Mrs. Marsden were experiencing in the matter of their sur-tax. Sir Ambrose at once advised him to consult Mr. Greatheart, which he did that very afternoon.

Mr. Greatheart very quickly obtained all the particulars necessary for an application to the Court, and instructed Mr. Crawley, the solicitor, to brief Mr. Stapleton of the Inner Temple.

In the end the Court gave the relief, but ordered that the money receivable from the insurance company, representing the slice of the future income sold, should be held by Mr. Greatheart and Mr. Crawley as trustees, to deal with it in accordance with their order.

Under this order all arrears of sur-tax had to be paid by the trustees forthwith, and a further sum held to meet the current year's tax, not yet due, and which could not be completely satisfied out of current income. Further, a sum had to be set aside to meet obligations in arrear which had been entered into voluntarily. The balance over was to be held to meet any liabilities which had been inadvertently overlooked. At the suggestion of Mr. Greatheart, Mrs. Marsden requested her trustees, the Westminster Bank, to withhold in the future from each quarterly payment made by them, a sum estimated to cover the sur-tax which would eventually have to be paid thereon and to credit it to a special sur-tax reserve account.

Captain and Mrs. Marsden now live in a tiny cottage and have cut their personal expenditure to an amount less than £750 per annum net, and as this includes the salary of Captain Marsden's manservant, nobody can reasonably say that they are living riotously.

It is true that the Rev. Stephen Collins remarked that a man who couldn't pay his taxes shouldn't keep a manservant, but we are sure Mr. Collins must have overlooked the fact that Captain Marsden lost his right arm in the Boer War and that he could only use his left hand with the utmost difficulty.

(To be continued)

The Cost of Going to Law

THE COST OF LITIGATION HAS BEEN IN MOST AGES A SUBJECT FOR the satirist and the social reformer. This age is no exception. Occasional reports in the newspapers of high fees paid to eminent counsel give a false impression to the public of the normal earnings both of counsel and solicitors, but there is no doubt that the cost of an action is often very heavy in proportion to the amount of money involved in the dispute. In 1947 a strong committee consisting both of lawyers and laymen, with Sir Raymond Evershed, now Master of the Rolls, as its chairman, was appointed to consider what changes should be made in the practice and procedure of the Supreme Court to reduce costs and secure greater efficiency. Sir Richard Yeabsley, C.B.E., F.C.A., F.S.A.A., a Council member of the Society of Incorporated Accountants, was a member of the committee. After six years of

hard work the committee has now presented its report to the Lord Chancellor (Command 8878. H.M.S.O. 11s. net).

"Our long labour has convinced us that there is, at least within the field in which it has been our duty to work, no single ready answer to the problem." This statement by the committee is not surprising, for litigation is a battle in which for the most part both parties are determined to take full advantage of all their rights under the rules laid down, and it is extremely difficult to devise rules which are both simple and fair to both sides. For example, delaying tactics are frequently employed by defendants who have a bad case and are temporarily short of money, but for the Court to insist too rigidly on time limits for the various steps in an action would penalise defendants who have a good excuse for not taking those steps in time.

The committee calls for a "new approach" to costs; Judges, Masters and legal advisers must be more "costs-conscious." This exhortation is timely, for the subject of costs always tends to be less interesting to the lawyer than to the litigant. But the committee recognises that exhortation is not enough, and it proceeds to suggest a large number of alterations to existing procedure. Most of these alterations are highly technical and detailed discussion of them would not be in place here. It is, however, important to notice the main principle on which the committee worked. A high proportion of actions started never come to trial, either because there is no defence or because the parties agree to settle, and there seems to have been little, if any, complaint that the costs of actions in the early stages were excessive. It is at or immediately before the trial that most costs are incurred and they increase in direct proportion to the length of the trial. The object of the committee was therefore to reduce the costs of trial. It hopes to achieve the reduction mainly by limiting at an early stage the issues which are to be tried, and the weapons suggested are the more extensive use of the originating application in the Chancery Division, a new analogous procedure in the Queen's Bench Division and a more "robust" use of the summons for directions. The committee makes only minor recommendations for relaxing the rules of evidence, but it favours more sanctions to encourage parties to dispense with witnesses and rely on documents.

The proposals to cut down counsel's fees have probably been given more prominence in the Press than they deserve. The committee found that counsel as a whole were not overpaid and it was precluded by its terms of reference from considering the wide question whether the two branches of the legal profession should be fused. The committee recommends that the traditional practice of charging a clerk's fee on a fixed scale in addition to counsel's fee should be abolished, but recognises that small fees would probably be increased in compensation; it also recommends some limitations on the payment of "refreshers," that is, extra payments when a hearing lasts more than five hours, and some reduction in the scale of fees charged by junior counsel when led by Queen's Counsel.

Much more important are the committee's recommendations on rights of appeal. At present, in any case started in the High Court there is an unrestricted right of appeal to the Court of Appeal on law or fact and thence with leave to the House of Lords, so that a litigant is always faced with the possibility of three hearings. When the proceedings start before some inferior tribunal from which an appeal lies to the High Court, the position is even worse, as four hearings are possible. The committee considered whether the number of appeal tribunals could be reduced, but eventually decided against this. It also considered whether rights of appeal in particular cases should be curtailed, but concluded that rights should be increased rather than decreased, the main recommendations being that there should be a limited right of appeal on fact from Official Referees and from County Courts. One proposal for saving costs on appeal is an alteration in the rules of procedure so that the real issues will be defined at an early stage, which should result in shorter hearings

and in the copying of fewer documents. Another proposal is that in suitable cases the Court of Appeal might save time by reading all the papers beforehand and by handing down reserved judgments instead of reading them aloud in Court. The most interesting suggestion, however, is that in some cases the Court of Appeal should be "leap-frogged"; the trial Judge should have power to certify that any appeal from his decision should go straight to the House of Lords. At first the certificate should not be given unless (a) the point at issue is already covered by an earlier decision of the Court of Appeal, or (b) the point involves the construction of a statute or statutory instrument, but after a period the working of the scheme should be reconsidered to see whether it should be extended or modified.

The committee by its terms of reference was also asked "to consider what appropriate machinery might be evolved to enable cases involving points of law of exceptional public interest (arising in any division of the High Court or in the Court of Appeal) to be determined wholly or partly at the public expense, whether by making the Attorney-General or the King's Proctor a party to litigation or otherwise." The committee suggests that the Attorney-General, applying a test similar to that which he already has to apply under the Criminal Appeal Act, should be able to certify at any stage after the issue of a writ that the case is fit for assistance, and that, if he does so certify, assistance should be given without regard to the means of the parties. Normally the parties themselves would apply for assistance, but, if they did not do so, the Attorney-General could apply to the Court for leave to intervene.

In considering rights of appeal and litigation at the public expense the committee paid special attention to Revenue cases. It proposes that there should continue to be no appeal on fact from the General Commissioners and appeals on that law should go as at present to the High Court, but it makes no recommendations whether a Chancery or a Queen's Bench Judge should hear these appeals; it does not propose to alter the procedure now applying to estate duty cases. Revenue cases are likely to benefit considerably from "leap-frogging," as they almost all involve construction of a statute. The Attorney-General should grant his certificate for assistance in Revenue cases on the same principle as in other cases, but the committee hopes that the Inland Revenue will continue or even extend its practice of offering to pay all costs on appeal even if the point of law involved is not of exceptional public importance.

As long as in other respects the existing Divisions of the High Court remain substantially as they are, the committee does not recommend the formation of a combined Commercial/Admiralty Court, but points out how essential it is that Judges with experience of commercial and Admiralty work should always be available.

This summary may give some indication of the many intricate points raised in the report. Even if the report were adopted in full, no sensational fall in the cost of litigation could be expected, but it is to be hoped that all concerned will co-operate in giving the recommendations a fair trial.

Changes in the Finance Bill

AFTER THE HOUSE OF COMMONS SITTING as the Committee of Ways and Means has heard and discussed the Chancellor's Budget statement, which deals only in general terms with the fiscal changes proposed, it passes the necessary Budget Resolutions. These are required to keep alive such annual taxes as income tax and to make provisional amendments which are to have immediate effect (for example, to alter the standard rate of income tax from 9s. 6d. to 9s.).

The detailed proposals are then formulated in :

A Bill to Grant certain duties, to alter other duties and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance.

The next important stage in the passage of the Bill into law is its consideration by a committee of the whole House of Commons. This committee is not to be confused with the Committee of Ways and Means in which the original Budget debate opened. Its function is to consider and approve the Bill clause by clause, with or without amendment, and the debate is restricted accordingly. Government amendments are introduced at this stage and a large number of other amendments (including proposed new clauses) come forward from both sides of the House.

All but Government amendments are of course, certain to be defeated unless, as occasionally happens in the course of the debate, a front bench speaker on the Government side agrees to accept the amendment as put down, when it is adopted without a division. Alternatively an amendment may be accepted in principle, the Chancellor undertaking to introduce a suitable amendment at a later stage. Examples in each field may be found in Committee stage of the 1953 Bill.

On Clause 12,* which deals with the proposed changes in old age and other personal reliefs, Mr. A. J.

Irvine (Liverpool, Edge Hill) moved to insert :

(B) In Section 217 of the said Act (services of a daughter) for the reference to £25 there shall be substituted a reference to £40

and this was accepted. Previously, on the same clause, Mr. Frederick Lee (Newton) had moved to amend Section 212 (3) (b), Income Tax Act, 1952, by increasing the maximum remuneration of a child undergoing training from £26 to £85. (It will be remembered that this limit was increased from £13 to £26 only a year ago). This was withdrawn on an undertaking by the Economic Secretary to the Treasury (Mr. R. Maudling) that the point would receive careful consideration and if possible something would be done on the Report Stage. An amendment was subsequently put down in the name of the Chancellor of the Exchequer, providing for the limit of £26 for an apprentice's or trainee's earnings to be raised to £52 : this was passed.

The amendment of most interest to accountants will undoubtedly be the deletion of sub-Section (2) from Clause 17 which deals with partnership changes. Sub-Section (2) of the original Bill introduced a new principle in that changes in the profit-sharing arrangements of a firm (without any change in the persons constituting it) could bring into operation the cessation and new business rules on notice being given by any one of the persons within six months after the change. It is true that the effect of this notice would in fact have been negated if *all* the partners so gave notice within twelve months after the change but this unanimity would presumably be lacking. The new proposal varied substantially from the recommendation of the Tucker Committee on this point. Mr. E. Fletcher (Islington East), who moved the amendment, made his first point. This was that "any change, however trivial, would mean that any of the partners would elect to exercise this option under sub-Section (2) perhaps to the detriment of the whole firm or perhaps to the detriment of other partners. The

mere fact that such a contingency could arise would make it much more difficult for firms trading in partnership to grant that kind of increase in salary or to make that kind of change which nowadays is a commonplace of trading relationships." Mr. Fletcher found it unnecessary to develop six other arguments which would doubtless have been equally cogent, for at this stage the Solicitor-General rose to say : "we therefore propose to accept this amendment, on the understanding that it may be necessary to make some consequential amendments at a later stage."

Shorn of this sub-Section, Clause 17 is still a complicated and far-reaching provision effecting drastic alterations in the present law, which may be summarised as follows :

On a change in the persons carrying on a trade in partnership (for example, the death or retirement of an existing partner or the introduction of a new one) :

(a) A notice signed by *all* partners (and personal representatives of deceased partners) is now necessary to *prevent* the application of the cessation rules—it was previously necessary to bring them into operation.

(b) Partners' shares of losses and capital allowances may be carried forward notwithstanding the application of the cessation rules.

(c) The rule in *Osler v. Hall* is negated and adjustments arising on a second change may extend back into a period before the date of the first change.

Other amendments already approved are in the nature only of drafting corrections but following the discussion on Clause 19 (unremittable overseas profits) substantial Government amendments have been drafted and will be considered at a later stage. They appear to be made necessary by some very considerable difficulties in determining whether foreign currency is in fact "unremittable."

Among the many amendments to existing Clauses that have been discussed and rejected the following may be mentioned briefly :

On Clause 12—Proposals for a "house-

* The clause numbers given above are taken from the original Bill—they will not agree with the corresponding Section numbers in the Finance Act.

holder's allowance," for increasing earned income relief to one-fourth, for increasing the reliefs for children and housekeepers to £100 and £75 respectively.

On Clause 13—Relief under Section 341, Income Tax Act, 1952, if claimed in the year following that in which the loss occurred not to be dependent on the business still being carried on.

On Clause 14—Initial Allowances (machinery and plant) to be at 40 per cent. instead of 20 per cent., 100 per cent. to be allowed on fuel-saving equipment, differential allowance for different trades.

On Clause 20—The spreading provisions to apply to royalties receivable more than two years after publication.

On Clause 22—To make the provisions retrospective to 1952-53.

In addition many new clauses were proposed, but all were rejected. These included such diverse matters as—the exemption of profits of trades carried on by local communities, alleviation of estate duty on family businesses, allowance of back contributions to pension funds, allowance of maintenance claims in excess of net annual values and the inclusion of the cost of new domestic solid fuel appliances in such claims, amendments to Section 46, Finance Act, 1946, (estate duty) and Section 20, Income Tax Act, 1952 (income tax—expenses) and the limitations of profits tax distribution charges.

At the Report stage, an Opposition amendment, which had been given much publicity in the newspapers and in City circles, to prevent avoidance of tax by the voluntary liquidation of companies (the business being continued by a new company), a device which, it was alleged, had resulted in large-scale tax avoidance, was not accepted.

This year's debate has been notable for the very marked absence of political diatribes and recriminations. The fact that the Royal Commission on the Taxation of Profits (whose interim report has led to some of the provisions in the Bill) and the Millard Tucker Committee are engaged on a very wide review of the existing law made it possible for the Chancellor or those speaking for him to give a "wait and see" answer to many of the points raised.

Taxation Notes

Building Society Interest

BUILDING SOCIETY INTEREST RECEIVED is not chargeable to income tax but is available to "cover" annual charges for the purposes of Sections 169 and 170 of the Income Tax Act, 1952, to the extent of the actual amount received. It is liable to sur-tax, however, at its gross equivalent.

The result is that the Return Forms for 1953-54 require the actual amounts to be shown. The Special Commissioners will do such grossing-up as is necessary for sur-tax purposes. Care should be taken in filling up the forms to have regard to this fact.

Although no income tax is repayable on building society interest, it is part of total income (at the actual amount received) for the purposes of age relief, of the maximum amount of life assurance premiums, of small income relief and any other relief depending on total income.

Illustration (1):

Earned Income	£	900
Building Society Interest	50	
House—Net Annual Value (N.A.V.)	40	
	990	
Less: Ground Rent	5	
Mortgage Interest	52	
National Insurance Contributions (N.I.C.)	9	
	66	
Total Income	£924	

If the building society interest were not part of the total income, the latter would be reduced to £874 and earned income relief would be restricted to two-ninths of that amount. As it is, however, the interest is part of total income, and the computation could proceed:

Earned Income	£	£	£
Less: N.I.C.	9		
	891		

House, N.A.V.	£	£	£
Earned Income Relief 2/9ths of £900	200		
Personal Relief	210		
Child Relief	85		
Life Assurance Relief	10		
	505		
	£386	£40	

Tax Payable:

Keep in charge under Schedule A at 9/- in the £ the excess of the annual charges (£57) over the building society interest (£50) = £7 at 9/-

£3 3s. od.

Tax payable on earned income and balance of Schedule A assessment:

£100 at 2/6	£12 10s. od.	
£150 at 5/-	£37 10s. od.	
£169 at 7/-	£59 3s. od.	£109 3s. od.
		£112 6s. od.

Illustration (2):

Building Society Interest	£	150
Other Income, less charges	2,100	
Total Income for Income Tax	2,250	
Add: Tax on gross equivalent of Building Society Interest (£272 14s. 6d.)	122	
Total Income for Sur-tax	£2,372	

E.P.L. and the War Damage Business Scheme

Certain companies having outstanding claims carrying accrued interest under the War Damage Business Scheme would, as things stand, become liable for Excess Profits Levy on the interest when payable. The Government has agreed to settle outstanding claims (including interest) on October 1, 1953, so that, failing a special arrangement, the interest payable would have been liable to the Excess Profits Levy.

In answer to a Parliamentary Question, the Financial Secretary to the Treasury recently announced that such companies might, if they wished, have the payment of their claims and the accrued interest postponed from October 1, 1953, to January 1, 1954. If the company exercises this option, no part of the accrued interest will be included in computing profits for E.P.L. purposes, no matter whether the company makes up its annual accounts to December 31 or any other date.

Any company wishing to avail itself of this arrangement should inform the Board of Trade by letter addressed to the Insurance and Companies Department, Lacon House, Theobalds Road, London, W.C.1, not later than August 31, 1953.

Affiliation Orders

By Section 4 of the Affiliation Order Act, 1952, an affiliation order and a decree of affiliation and aliment are added to the orders mentioned in Section 205 (2) (a) of the Income Tax Act, 1952, which specifies the cases where small maintenance payments are to be paid gross and assessed on the recipient under Case III of Schedule D, until the age of 21 is reached and so long as the weekly payment does not exceed 30s. We have commented before on the difficulty of keeping pace with amendments of tax Acts by the most unexpected other legislation!

Double Taxation Relief—Tables of Effective Rates of Income Tax

The Inland Revenue have decided to publish the tables which are used in tax offices for calculating the effective rates of tax. The tables for 1952-53 were put on sale at Her Majesty's Stationery Office during July. They are priced at 9d. (by post 10½d.).

The use of these tables should result in a considerable saving in time to accountants who have a number of cases involving double taxation relief.

Three Tax Guides

"Taxation" Key to Income Tax and Sur-tax—Budget Edition, 1953. Edited by Ronald Staples, Taxation Publishing Company, Ltd., London. Price 7s. 6d. net.

This is the thirty-sixth edition of a publication which sets out to "beat the Finance Act" and is thus described as the Budget Edition, 1953. Unfortunately, as the publishers must be only

too well aware, every Finance Bill is liable to be amended substantially between the dates of the first appearance and of its final passage into law. Thus two changes in the personal reliefs for 1953-54 (for daughter's services and limit of earnings of a child undergoing training, respectively) are not noted. Other references to important changes introduced this year and available in the original Bill are very scanty. A brief reference to the new law proposed in regard to partnership changes is found at the foot of page 89; this does not deal with partnership losses to which a (now totally incorrect) reference is made at page 94.

The division of the work into twelve main sections, each with its own subsidiary thumb index, makes for ease of reference provided the reader already knows his way around the subject. The absence of a general index to a work of 222 pages makes it difficult to trace every reference. Thus matters affecting farm accounts will be found in at least three distinct sections—Land and Property, Businesses and Professions and Capital Allowances respectively—each with its own index. Incidentally the matter in the Land and Property section, when it has been found, is strangely redolent of the old Schedule B system.

At the price of 7s. 6d. it is, perhaps, unreasonable to criticise the quality of the paper on which the Key is printed. The last page includes an Order Form for the Taxation Key to Income Tax for 1953-54 (including the 1953 Finance Act alterations) which will presumably be available shortly.

The "Oyez" Income Tax Table. The Solicitors' Law Stationery Society, Ltd., London. Price 9d. net.

The clear printing and convenient size of this Table make it a useful tool in the hands of those who are faced with a large number of income tax calculations and of others who find that the "half less a tenth of a half" method is beyond their arithmetical powers. It is probably intended principally for use in solicitors' offices; accountants might well prefer a slightly different form of table which is also of assistance in "grossing up."

Jordans Income Tax Guide, 1953-54. Compiled by Chas. W. Chivers. Jordan and Sons, Ltd., London. Price 2s. net.

This is the twenty-third edition of an annual publication. It is unfortunate that no reference is made to the fact that the 1953-54 rates and reliefs are based on the 1953 Budget and are therefore incorrect in some respects. In these circumstances one would expect, therefore, that on page 14, the limit of remuneration of a child undergoing training would be stated to be £26 a year which was the operative figure for 1952-53. It is, in fact, given as £13!

The worked examples are good as far as they go but would be of more practical use if National Insurance contributions and Family Allowances were not ignored.

Readers' Points and Queries

Capital Statements

Reader's Query.—I have recently been endeavouring to agree with H.M. Inspector of Taxes profits based on a capital statement over a period of five years, where it has been impossible to produce accounts covering the years in question. I believe it to be true that the statements by my client to the effect that during the period there have been invested, moneys which previously had been retained as cash in the house but I can of course produce no evidence that this is so. H.M. Inspector has stated that it is the rule of the Department that no adjustment can be made in the computation for any cash in hand at the beginning and whilst I can appreciate the attitude taken, I feel that in certain cases the agreement which is made is unjust to the taxpayer. Is the experience of other practitioners similar to my own or have there been any cases where they have been successful in establishing that there was "opening cash?"

Reply.—Unless concrete proof of the existence and details of the origin of cash stated to be in hand at the beginning of the period can be produced, the Inland Revenue will not accept the explanation of otherwise unexplained capital increments. In normal circumstances, this attitude can hardly be regarded as unreasonable.

Deferred Repairs and E.P.T. is the subject of a Professional Note on page 247 of this issue.

Recent Tax Cases

By W. B. COWCHER, O.B.E., B.LITT.

INCOME TAX

Employment—Agreement made abroad—Remuneration paid partly in London and partly abroad—Employment exercised in United Kingdom—Whether remuneration taxable in United Kingdom irrespective of question of remittance—Bray v. Colenbrander (1953, T.R. 135).

Employment—Agreement made abroad—Remuneration paid into bank account abroad—Employment exercised in United Kingdom—Whether remuneration taxable in United Kingdom irrespective of question of remittance—Harvey v. Breyfogle (1953, T.R. 139).

Income Tax Act, 1918, Schedule D, Charging Rule 1 (a) (ii), Cases II and V, Schedule E—Finance Act, 1922, Section 18.

Bray v. Colenbrander (House of Lords, April 20, 1953, T.R. 135) and **Harvey v. Breyfogle** (House of Lords, April 20, 1953, T.R. 139), two cases noted in our issues of October, 1952 (page 342), and December, 1952 (page 405), represented an attempt by and at the expense of the Revenue to get the House of Lords to reverse the decision of the Court of Appeal in *Bennet v. Marshall* (1938, 1 K.B. 591; 16 A.T.C. 377; 22 T.C. 73). In each appeal the respondent's contract of employment was made abroad with a foreign employer and provided for payment of his remuneration abroad. Substantially, the duties were wholly performed in the United Kingdom and at all material times the respondents were resident in the United Kingdom. The Crown assessed each respondent under Schedule E in respect of all sums paid as remuneration, maintaining that he was assessable as a person residing in the United Kingdom in respect of the whole annual profits and gains accruing from an employment carried on in the United Kingdom under Case II of Schedule D which by Section 18 of Finance Act, 1922, had been made chargeable under Schedule E. The respondents, on the other hand, contended that they were assessable upon a remittance basis under Case V of Schedule D by virtue of the express exception contained in Section 18 (1) of Finance Act, 1922.

The Special Commissioners and the lower Courts had held themselves bound by the *Bennet v. Marshall* decision to decide the cases against the Crown. The unanimous decision of the Court of Appeal in that case

was based on the House of Lords decision in *Pickles v. Foulsham* (1925, A.C. 458; 4 A.T.C. 133; 9 T.C. 261); and their Lordships, unanimously approving *Bennet v. Marshall*, held that the decisions of the Special Commissioners were correct, Lord Normand giving the only full opinion. He said that in the case last mentioned, *Romer, L.J.* had concluded:

The House of Lords . . . in *Foulsham v. Pickles* have definitely decided that in the case of an employment the locality of the source of income is not the place where the activities of the employee are exercised, but the place either where the contract for payment is deemed to have a locality or where the payments for the employment are made, which may mean the same thing.

He found no grounds for rejecting or criticising any of the judgments in *Bennet v. Marshall* and declared that the Master of the Rolls had expounded the House of Lords judgments in *Pickles*' case with extraordinary precision and insight. He held, therefore, that the Crown's appeals must be dismissed but "before leaving the cases" he said he wished to refer to a matter which had caused him "some uneasiness". Had the House come to the conclusion that on a nice balance of considerations the Crown's argument was to be preferred:

Ought we to have given judgment in favour of the Crown? Or ought we to have had regard to the hardships and injustices which might result?

He said that the Revenue had had leave to appeal to the House in *Bennet v. Marshall* and between 1938 and 1950 could have taken legislative action:

Nothing was done. But now this appeal is taken, and if it had succeeded, it would have rendered a number of taxpayers liable to additional assessments going back six years.

Lord Morton declared that he had formed no view upon the matter last mentioned and Lord Cohen said the same, both agreeing that it had proved unnecessary to hear any argument thereon. Lord Reid, following Lord Morton simply concurred; but it is not clear whether or not he agreed with the last part of Lord Normand's speech. Although in the circumstances *obiter*, the point raised is of very considerable importance. As is well known, within limits the House of Lords is a law-making body; but it is one thing to alter the law and quite

another for such alteration to have retrospective effect. The Revenue view, with its practice based upon it, has been that where, as the result of judicial decisions in a case, the law has been regarded as altered such alteration has been regarded as effective from the date of the first decision in the case in favour of the view ultimately approved. Thus, had the House disapproved of *Bennet v. Marshall* the law would be regarded as having been correctly stated by that decision of the Court of Appeal up to the date of the first Court decision in favour of the Revenue in *Colenbrander's* and *Breyfogle's* cases. This view would seem to derive support from Lord Greene's judgment in *Stanley v. C.I.R.* (C.A. 1944, 1 K.B. 255; 26 T.C. 12).

Nevertheless, whether *obiter* or not, the Revenue's power to make additional assessments for six back years, seven years in all, is one which is causing "some uneasiness" to others besides Lord Normand. The light-hearted use of this power is often "harsh and unconscionable," especially where omission to assess has been either due to official error or to some degree of official negligence.

Charity—Payments by City of London Corporation under Statute—"Such moneys as shall be necessary" to enable the work of the charity to be carried on—Whether "annual payments"—Epping Forest Act, 1878, Sections 3, 31, 33, 39, 41, 42 Income Tax Act, 1918, Schedule D, Case III, Rules 1 (a), 2 (1) (b), 2 (2); General Rules No. 19.

Corporation of London (as Conservators of Epping Forest) v. C.I.R. (House of Lords, April 20, 1953, T.R. 123), was the subject of a full note in our issue of May, 1952 (page 140), and was also noted in our issue of November, 1952 (page 373). The issue in the case was whether the sums which the Corporation were under a statutory obligation to pay to the Conservators of the Forest in each year to make up the difference between expenses and receipts were "annual payments" from which the Corporation was entitled to deduct tax under Rule 19 of the General Rules, Income Tax Act, 1918. A fundamental point of the case was the concession that the Corporation and the Conservators were two distinct legal *personæ*; and this was stressed by the Special Commissioners in their conclusion in favour of the Corporation. Donovan, J., had reversed their decision on the grounds that the payments were not "profit income" in the hands of the Conservators but an item of revenue against which expenses of equivalent amount had to be set. In the Court of Appeal, the Master of the Rolls giving the judgment of the Court had rejected this test and restored the decision of the Special Commissioners. A unanimous

House of Lords affirmed the decision of the Court of Appeal, but rejected its basis.

In his speech, Lord Normand said that the passages quoted by him made it clear that:

the Court of appeal decided the question, annual payment or not, on the ground that the Conservators being a body constituted for charitable purposes only and bound to apply the whole income to those purposes was incapable in law of earning profits within the meaning of the Income Tax Acts, with the corollary that their accounts were not such that "the idea of an annual profit and loss account in respect of the year's operations was applicable."

Nevertheless, Lord Normand said, the activities the Conservators were carrying on were fairly within the category "analogous to trade" and had there been a surplus it would have been within Case VI of Schedule D. "That may have been improbable, but it was not impossible," and in view of earlier decisions, among them *Forth Conservancy Board v. C.I.R.* (1931, A.C. 540; 10 A.T.C. 203; 16 T.C. 103), and *Brighton College v. Marriott* (1926, A.C. 192; 5 A.T.C. 32; 10 T.C. 213), if the decision of the Court of Appeal was to stand, it had to be supported by other reasons than those given in the judgment. Examining the financial relationship between the Corporation and the Conservators, he held that:

The sum in my opinion is in no different position from a sum (having the requisite quality of recurrence) paid without conditions or counter-stipulations out of taxed income under a covenant by a private individual to any charitable body.

Lord Reid gave the only other full judgment and not only endorsed the view in the passage just quoted but said:

A donor might base the amount of his annual subscription on the needs of the society, or might undertake to pay such sum in each year as might be necessary to balance the accounts. . . . Can it then be held that the nature of the payment is essentially different if the charity happens to carry on some trading operation?

He held that the payments in question were not of a business nature—they were of a benevolent nature—and they were not primarily made to assist in carrying on any trade or business. Both speeches will, of course, be studied carefully and, incidentally, they place into better perspective the expression "pure income profit" laid down as a test by Lord Greene in *re Hambury* (1939, 20 A.T.C. 333). Stripped of all special features, the case and the result can, in the writer's opinion, be put into very brief compass. Suppose a historic house maintained by the National Trust to which the public is admitted on payment. Next, suppose that A enters into two seven-year Covenants of £100 per annum. By one,

the payments are unconditional and the Trust can do as it likes with the money. By the other, the payments are to be contributions towards the expenses of maintaining the house. Had the House of Lords decided otherwise in the present case, the first would have been an "annual payment" within Case III, but the second, apparently, would not—with wide consequences. Supposing, however, that in the case of the second covenant A made it a condition that he was, for his life, to be admitted to the house free, what would be the position? As to this, Lord Reid said:

I would reserve my opinion about a payment which is primarily benevolent but which brings some incidental benefit to the donor.

As the general public and not the Corporation's citizens as such are the beneficiaries of the charity, Lord Sands' dictum that "equity and income tax are strangers" is, for once at any rate, proved to be fallible.

Income tax—Settlement—Covenant to pay periodical sum during life of settlor—Power of revocation after seven years—Subsequent extension of period by three years under supplemental deed—Whether during extended period income to be deemed settlor's income—Income Tax Act, 1918, Section 37—Finance Act, 1938, Sections 38 and 41.

C.I.R. v. Frank Butler Memorial Fund Trustees, (Ch. May 1, 1953, T.R. 171), involved a point of very considerable importance. By a deed of March 27, 1943, a lady, Patience Nicolson, executed a declaration of trust in favour of the respondent trustees setting up a charitable trust to be known as the "Frank Butler Memorial Fund." She covenanted that during her life she would pay to the trustees monthly sums of £350, the said sums to accrue as from April 6, 1942, and to be paid as so accrued down to the date of the deed on its execution and thereafter on the last day of every month. A power of revocation in whole or part at any time or times after 7 years from the date of the deed was to be exercisable by the settlor. Down to February 28, 1950, the settlor deducted tax and the charity recovered it under Section 37 of the Income Tax Act, 1918. The power of revocation became exercisable on March 28, 1950, but on February 28 of that year the settlor executed a supplemental deed whereby the power of revocation was not to be exercisable until after March 27, 1953, i.e. for a further three years. The question was whether in respect of payments after March 31, 1950, the covenanted sums were by virtue of Section 38 (1) (a) of Finance Act, 1938, to be deemed the income of the settlor or of the charity trustees.

By Section 38 (1) (a) sums payable under covenants subject to a power of revo-

cation were to be regarded as income of the settlor:

Provided that where any such power . . . cannot be exercised within the period of six years from the time when the first of the annual payments so referred to becomes payable, and the like annual payments are payable in each year throughout that period, the said paragraph (a) shall not apply so long as the said power cannot be exercised.

The Special Commissioners had decided in favour of the trustees but Upjohn, J., reversed their decision, holding that:

they appear wholly to have misapprehended the effect of the judgment of the Court of Appeal in *Taylor's* case.

Taylor v. C.I.R., (25 A.T.C. 155; 27 T.C. 93), arose under the same section and the judge was understating it when he said that "the facts were a little complicated." Still, the issue was clearly stated by Macnaghten, J., in his judgment:

The question is whether a covenant which is irrevocable for a period of less than 6 years, but subsequently is made irrevocable for the full period of six years (such extension of the period being made while the covenant is still irrevocable) is within the proviso to Section 38 (1) (a).

It will be seen that there was a very important difference between that case and the present one. Here, the original covenant was protected from the start by the proviso. Both Macnaghten, J., and a unanimous Court of Appeal upheld the decision of the Special Commissioners in favour of the Revenue. In the higher Court, Cohen, L.J., as he then was, gave the only judgment; and he construed the proviso as follows:

It is plain that the power to revoke and the obligation to pay must be contained in the same settlement and the use of the present tense, in my opinion, involves that the restriction on the exercise of the power to revoke should also be present in the same settlement. Having regard to the definition of "settlement" in Section 41, the settlement may be a single document or may be comprised in two or more documents, but it must be the same settlement throughout.

Whilst counsel for the trustees submitted that the above passage of the judgment of Cohen, L.J., was not the true construction of the proviso, he could only reserve the right to challenge it in a higher Court. Even admitting its rightness, he submitted it was sufficient to show that their original restriction on revocation was for six years and that there was restriction during the relevant year. Upjohn, J., applying the Cohen dictum, held that, if the only settlement was that of 1943, then for the relevant year the power to revoke was no longer suspended. If the settlement was that of 1943 coupled with the deed of 1950, then the first payment thereunder

fell due on March 31, 1950, and the power of revocation operated in 1953, within six years of the first payment under the compound settlement.

As the law stands, revocable settlements originally protected by proviso (a) if extended must be extended for the full period of six years to retain protection, a position which entails considerable hardship on many parents and is otherwise hard to understand. As regards the use of the present tense in the proviso, it may be suggested that this necessarily followed on its use in the introductory words of Section 38.

Income tax—Transfers of Assets—Settlements on infant children—Deposits in Post Office Savings Bank in names of children—Drawings expended for infants benefit—Gifts of Defence Bonds to same children—Whether interest on Savings Bank deposits and on Defence Bonds income of parents—Whether exemption granted by Section 21 (4) applied only when the aggregate income of all the settlements was below £5—Finance Act, 1936, Section 21—Finance Act, 1938, Sections 38 (2), 41 (4) (b).

Thomas v. Marshall, (House of Lords, April 20, 1953, T.R. 141), was noted in our issues of April, 1952, (page 140) and October, 1952, (page 343). In the House of Lords the decisions of the Lower Courts were unanimously affirmed, it being thereby settled that the expression "transfer of assets in Section 21 (9) (b) included absolute and unconditional gifts, and that the exemption given by Section 21 (4) only applied where the aggregate income of all settlements otherwise chargeable by virtue of the Section did not exceed £5. In *Hood-Barrs v. C.I.R.*, (1946, 25 A.T.C. 375; 27 T.C. 385), although the expression "transfer of assets" appears in Section 21 of the 1936 Act but not in Section 41 of the Finance Act, 1938, an attempt had been made to link up the two definitions of "settlement" in order to utilise speeches made in the House of Lords in *Chamberlain v. C.I.R.* (1943, 22 A.T.C. 111; 25 T.C. 317), a case arising out of the 1938 legislation, the idea being that the expression "transfer of assets" should be read as qualified by the words "by way of settlement." This would have made it inapplicable to out-and-out gifts. Unfortunately, some colour had been lent to this reading by the fact that there had been criticism in the *Hood-Barrs* case by Lord Greene, M.R., of dicta by Lord Macmillan in the *Chamberlain* case; but these dicta had been subsequently endorsed by the House of Lords in the *Vestey* case, (1949, 28 A.T.C. 89; 31 T.C. 1).

Lord Morton of Henryton, giving the only full speech, in effect, said that Section 21 of the Finance Act, 1936, had to be interpreted

independently and without regard to the 1938 legislation. At the close of his speech he said:

I can find no words in Section 21 of F.A. 1936 which should lead your lordships to put a limited meaning upon the words "transfer of assets," and if and so far as one can gather the intendment of Section 21 from its wording, I think it was intended to throw the net as widely as possible, and to sweep in all kinds of transactions which would not ordinarily be regarded as settlements, provided only that "by virtue or in consequence" thereof any income is paid to or for the benefit of a child of the settlor.

The expression "transfer of assets" has, therefore, to be read as if it were "gift or other transfer of assets"; and the ordinary man can only wonder if such unusual economy in the use of words was intended to make the legislation proposal look more innocuous. At some future time, the limitations, if any, to be placed upon the words of Section 21 (1) of the 1936 Act "in consequence of any settlement" will, no doubt, come up for judicial review. The theoretical possibilities are interesting; but the Revenue is nothing if not practical.

SUR-TAX

Sur-tax—Tax reserve certificates—Sum equal to interest earned distributed to shareholders—Whether a taxable receipt—Income Tax Act, 1918, General Rules 19 and 20—Finance Act, 1942, Section 29.

Hutton v. C.I.R., (Ch. May 1, 1953, T.R. 163), was a case which arose out of the method of financing taxation liabilities by the purchase and surrender of Tax Reserve Certificates. (We published a note from a correspondent on this case on page 192 of our June issue and said that anyone affected by the case who wished to communicate with the taxpayer concerned, could do so through the Editor.) These, by the terms of issue, carried interest at 1 per cent. but only so far as applied to payment of certain taxes. The appellant held 50 per cent. of the shares of the Hutton Shoe Co., Ltd., a company which between 1942 and 1946 had purchased certificates to the amount of £148,600 and upon which the aggregate interest credited on surrenders in payment of taxes had amounted to £1,456. For the first year, 1943, the interest credited amounted to £78 13s. 4d. This sum had been shown as a separate credit in the company's profit and loss account. The interest on the certificates received by a holder was not returnable for income tax or sur-tax as part of his income by virtue of Section 29 (1) of the Finance Act, 1924, and so, on July 30, 1943, the company resolved that

the £78 13s. 4d. should be paid direct to the shareholders individually in proportion to their holdings, the appellant receiving £39. A similar practice had been followed in the later years. The company claimed to distribute the £78 13s. 4d. without deduction of tax. On the principle laid down in *Neumann v. C.I.R.* (1934, A.C. 215; 18 T.C. 332), it contended that it was entitled to regard the distribution as that of a fund which had not borne tax in its hands, and, as the company could not deduct tax under Rule 20, in the hands of the appellant it was free of income and sur-tax. The Crown's reply to this argument was two-fold. In the first place, the company could only receive interest upon the certificates by applying them to payment of tax. The interest, therefore, then ceased to exist as interest and the general fund of taxed profits had been increased by a smaller sum being needed to meet tax liability. Secondly, having applied the interest in payment of tax the company could not contend that the amount remained as interest in the general fund of profit and loss.

The Special Commissioners had found in favour of the Revenue and Upjohn, J., upheld their decision. Whilst he found that the cases by which the Crown's arguments had been supported had no application, he concluded:

All that has happened is this, that the general fund standing to the credit of profit and loss has been swollen by the sum of £78 13s. 4d. The case is analogous to receiving a discount on a trade debt. The company is left with a larger general fund to the credit of profit and loss, and not with a separate item in its profit fund representing a tax-free item.

A reader of Lord Macmillan's speech in *Central London Railway Co. v. C.I.R.*, (1937, A.C. 77; 20 T.C. 102), one of the cases relied on by the Crown, whilst not questioning the decision, may wonder whether the matter is quite so simple as that. In effect, the interest on the certificates would seem to be thereby assimilated to the discount on tax paid in advance, a provision which dated from the beginnings of the income tax and constituted Section 159 of the Income Tax Act, 1918. This was modified by Section 18 of the Finance Act, 1937. As by Section 29 of the Finance Act, 1942 interest on Tax Reserve Certificates was not to be chargeable to income tax and the discount on tax paid in advance was abolished by the same section, the connection between the two would seem to be obvious although not of necessity making them of the same income-tax nature. Nevertheless, an allowance of discount on tax by repayment under Section 18 of the Finance Act, 1937—Section 159 (2)—would seem to have possessed close similarity.

ESTATE DUTY

Estate Duty—Gift inter vivos—Transfer of deposit receipt and savings account books—Whether gifts mortis causa—Customs and Inland Revenue Act, 1881, Section 38 (2) (a)—Customs and Inland Revenue Act, 1889, Section 11 (1) Finance Act, 1894, Section 2 (1) (c)—Finance Act, 1946, Section 47.

Lord Advocate v. King (Court of Session, March 25, 1953, T.R. 119), was a case where the Revenue claim to Estate Duty failed but the circumstances were sufficiently curious to arouse suspicion. The deceased, Archibald Ramsay, had died on October 16, 1947. For over 20 years he had been in the habit of spending his weekends and holidays with a Mr. and Mrs. Bicket and in the spring of 1946 he had come to live with them. Regarding himself as and treated as one of the family, Mr. Ramsay, by his will made on October 5, 1946, had bequeathed the whole of his estate to Mr. and Mrs. Bicket. The defender, Nancy King, a relative of Mr. Bicket was also living with the Bickets and had done so for many years. She was regarded highly by Mr. Ramsay and had helped him with his correspondence when he was ill, looked after his clothes, and performed many personal services for him.

In October, 1944, the deceased deposited a sum of £4,522 in the British Linen Bank in the joint names of himself and the defender, the money "to be drawn by either or survivor". The deposit receipt was retained by the deceased until March 11, 1946, when he handed it to the defender who on his instructions drew the money with accrued interest and made a new deposit of £4,577 in the same joint names and on the same terms "to be drawn by either or survivor". On her return with the new deposit receipt which she handed to the deceased the latter was said to have handed it back to her with the words "You take that; it is for you to do what you like with". With two savings accounts a procedure apparently exactly similar was said to have been followed, the savings account books being handed to the defender with the same or similar words. The question was whether the handing of the deposit receipt and the savings accounts books were a *de presenti* and irrecoverable *inter vivos* gift, or a donation *mortis causa* which was revocable and only became effective on Mr. Ramsay's death, the presumption, as Lord Blades said, being stronger against donation *inter vivos* than against *mortis causa*. Having heard the evidence of the defender and read that of Mrs. Bicket, taken on commission, the judge said that whilst the latter's testimony rang true he had complete reliance on the former. He, therefore, found that in handing to the defender the deposit receipt and the savings account books the deceased

gave the defender immediate and irrevocable *inter vivos* gifts. The decision was, of course, essentially one of fact depending on the credibility of the evidence.

PROFITS TAX

Profits tax—Distribution—Preference Shares of Company—Redemption—Premium on Redemption in accordance with Articles—Amount applied in reducing share capital—Companies Act, 1929, Section 46—Finance Act, 1947, Sections 30, 35 and 36.

C.I.R. v. Universal Grinding Wheel Co., Ltd. (Ch. May 7, 1953, T.R. 205), was a case of considerable importance to companies which have issued or have powers to issue redeemable Preference shares. The respondent company had been incorporated in 1935 with a capital of £600,000, divided into 400,000 5 per cent. cumulative Preference shares of £1 and 400,000 ordinary shares of 10s. Under its articles provision was made by virtue of Section 46 of the Companies Act, 1929, whereby the preference shares could be redeemed at a premium of 7s. per share and in 1947 this was done partly by means of an issue of new capital and in part out of profits available for dividend, the premium being paid out of profits as required by Section 46 and by the Company's Articles. The issue in the case was whether the company had applied 20s., as claimed by the Crown, or, as contended by it, 27s. in reducing each £1 of its preference share capital. There would have been no question but that the payment of the premium would have been a distribution within Section 36 (1) of the Finance Act, 1947, but for the proviso to that sub-Section:

Provided that no sum applied in repaying a loan or in reducing the share capital of the person carrying on the trade or business shall be treated as a distribution.

For the Crown it was argued that the proviso does not refer to redeeming shares but to reducing capital and no greater sum could be applied to this than 20s. per share, the 7s. being a premium to the shareholders only payable out of profits; and that the whole scheme of the Finance Act, 1947 was that the distribution of any profits forfeited non-distribution relief. Section 35, relating to distributions in liquidation, was referred to in this connection. For the company it was contended that the proviso must be strictly construed, and, in taxing the subject, no reliance could be placed on any general scheme or policy of the Act; and Upjohn, J., agreed to this proposition.

The Special Commissioners had found that the full amount of 27s. per share had been applied in reducing the capital of the company within the meaning of the proviso; and Upjohn, J., upheld their decision. It will be noted that the proviso extends to loan as well as to capital and, within limits, is of importance.

Profits Tax—Director-controlled company—Directors' remuneration—Amounts paid less than permitted maximum—Amount deductible—Finance Act, 1937, Sections 19, 20, Schedule IV, paragraph 11—Finance Act, 1947, Section 45—Finance Act, 1951, Section 30—Finance Act, 1952, Section 34.

C.I.R. v. Custodis (1922), Ltd., (Ch. May 1, 1953, T.R. 167), arose out of a decision of General Commissioners in favour of a director-controlled company whereby for the chargeable accounting period April 1, 1948, to March 31, 1949, they had allowed the maximum deduction for directors' remuneration, £2,500 although the remuneration actually paid by the company was only £1,512. From the judgment of Upjohn, J., reversing the Commissioners' decision, it would seem that respondent's counsel managed to put up an argument in defence; and if equity and the profits tax had anything in common there was something to be said for it. Legally, however, it was hopeless.

Tax Cases—Advance Note

CHANCERY DIVISION (UPJOHN, J.)

Boarland v. Madras Electric Supply Corporation. June 18, 1953.

Facts.—The Corporation carried on the business of an electric light and power undertaking under licenses granted by the Government of Madras, which provided, *inter alia*, that on August 29, 1947, the local Government should have the option of purchasing the undertaking. The option was duly exercised and, on the date specified, the local Government purchased the undertaking and the Corporation ceased to carry on any trade. The undertaking of the Corporation, however, continued to be carried on without interruption under the management of the Government of Madras. A balancing charge was assessed on the Corporation for the year 1947-48 by reference to the sale of its plant, etc. The Corporation claimed that, in Rule 11(2) of the Rules of Cases I and II of Schedule D, the word "person" did not include the Crown, that accordingly there was no succession to the business of the Corporation which must be considered to have been permanently discontinued on August 29, 1947, and that no liability to a balancing charge arose.

Decision.—Held, that the word "person" in Rule 11(2) includes the Crown (and other persons who may be exempt from tax). Further held, that *C.I.R. v. West* ("Girl Eileen") (31 T.C. 402), was distinguishable, upon the ground of a finding of fact in that case that there was a discontinuance of the trade in question simultaneous with the sale of the plant.

The Student's Tax Columns

FURNISHED LETTINGS

INCOME FROM LETTING A HOUSE FURNISHED IS USUALLY assessed under Case VI. The profits are found by deducting from the rent received the following expenses:

- Net Annual Value (or rent paid if the house is not owned and the rent paid exceeds the N.A.V.);
- Any costs of obtaining tenants, e.g. agent's charges, advertising, etc., and costs of agreements, inventories of furniture, etc;
- Rates and water charges paid by the lessor;
- Annual allowances for wear and tear of furniture;
- Insurance premium on contents;
- Cost of maintenance of garden, if paid by lessor;
- Servants' wages, if included in the agreement;
- Expenses of maintenance, repairs, management and insurance of the structure unless these are included in a maintenance claim under Schedule A;
- If the house is kept mainly for letting, the wages of any caretaker engaged between lettings and the cost of cleaning between lettings.

Where letting is only for periods when the house is not occupied by the lessor, the appropriate proportion of the expenses is deductible; those relating solely to re-letting are, of course, deductible in full.

No deduction can be allowed in respect of another house taken by the lessor while his own house is let.

If the house is kept primarily for letting and is supervised by the owner, or the owner renders services, earned income relief can be claimed. It is also allowed if furnished letting is the main source of livelihood. In these cases the assessment is under Case I.

Illustration:

1953-54 ASSESSMENT		£	s.	d.
Flat 1—Occupied by owner.				
" 2—Rent	6.4.52 to 3.5.52 at £7 7s. per week	..	29	8 0
" "	19.5.52 to 5.4.53 at £6 6s. "	..	28	16 0
" 3—Rent	6.4.52 to 7.2.53 at £4 4s. "	..	2	14 0
" "	14.2.53 to 5.4.53 at £4 4s. "	..	2	14 0
			53	8 0

	£	s.	d.
Agents fees on lettings	26	13	6
Rates, Flats 2 and 3	79	4	0
Water, Flats 2 and 3	4	4	0
Net annual value, Flats 2 and 3	106	0	0
Repairs to furniture	22	0	0
Accountants' fees	5	5	0
Electricity and gas—defaulting tenant	25	0	0
Insurance of contents	1	10	0
Jobbing gardener's wages (two-thirds)	104	0	0
	373	16	6

Assessment, Case I, 1953-54	159	0	0
Less Annual allowance on furniture:			
Written down value brought forward	367	0	0
Allow 5 per cent. \times 5/4	23	0	0
Carry forward	£344	0	0
Net assessment	£136	0	0

The illustration above is of a house divided into three flats, of which one is occupied by the owner, who collects

the rents and supervises the other two flats and is assessed under Case I.

Had this been a Case VI assessment, the assessment would be for 1952-53 and the annual allowances for 1952-53 would be deducted as an expense.

The taxpayer is single. The net annual value of the whole property is £137. The owner has dividends of £320. National Insurance Contributions allowable are £12. Schedule A maintenance relief on the average of the five years to April 5, 1953, is agreed at £126 (after deduction of the repairs allowance).

1953-54 ASSESSMENT		£	£
Furnished letting			159
Deductions:			
Annual allowance for wear and tear	23		
National Insurance Contribution (N.I.C.)	12		
			35
Earned Income Relief, 2/9ths \times £136	31		
Personal relief (see below)	93		
			124
			Nil

	£
Personal relief	120
Maintenance relief	126
	246
Deduct: N.A.V.	137
	109
Allowed above	93
Allowable against dividends	£ 16

Repayment claim against dividends:		£	s.	d.
£ 16 at 9/-		7	4	0
100 at 6/6		32	10	0
150 at 4/-		30	0	0
54 at 2/-		5	8	0
£320	Repayable	£75	2	0

Proof		£	£	£	s.	d.
Dividends		320	144	0	0	0
House letting		136				
N.A.V.		137				
Less Maintenance		126				
				11		
Less N.I.C.				467		
				12		
				455		
E.I.R., 2/9ths of £136		31				
P.R.		120				
				151		
				£304		
				£	s.	d.
£100 at 2/6		12	10	0		
150 at 5/-		37	10	0		
54 at 7/-		18	18	0		
				68	18	0
Repayable		£75	2	0		

The Month in the City

Another Conversion

THE MID-JUNE ISSUE OF £100 MILLION 3 PER cent. Exchequer Stock 1960 proved a success, but it now looks very much as though the great bulk of the amount was taken by the departments, whose supply of shorts was said to have run out some days before the offer. In the circumstances it was not long before the market was asking itself whether the authorities were not keeping a longer term offer up their sleeves, for there was a good deal of talk of the need for enforcing the budget policy by some demand on the savings of the public. In the event, the Treasury have done the reverse of this in offering all holders of the National War bonds, finally maturing on March 1, next, the right to convert at par into the similar bonds of 1954-56. At the date of issue the two bonds were on an equal footing and the sole inducement to take the offer was the fact that interest on the new bonds fell due a fortnight earlier than that on the old and would be paid in full. There are £810 million of the maturing bonds of which, it is understood, a quite small proportion is held in the money market, in the more restricted sense of that term. A good deal is held by banks—not mainly the clearing banks—and there are said to be numerous moderate holdings in the hands of individuals and firms. The expectation was that the response to the offer would not be very large. More interesting for the general run of investors is the question why the Treasury adopted this form of offer, a short dated money-market stock, if in fact not much was held by the market. Is it just to keep the cost of the debt down; does it mean that it is expected to be possible to borrow long on easier terms in three years' time and, in particular, is the Treasury deliberately building up a mass of maturities in the year ending September 1956 with a view to repeating the tactics of the War Loan conversion in 1932? No answer is likely to be provided to any of these questions, but the market has taken the offer as an indication that any pressure on gilt-edged from the official end is excluded for the time being. Meanwhile the actual response to the offer has not been overwhelming and there remain £413 million of the 1952-54 bonds to be dealt with between now and March next.

Recovery Continues

It would, perhaps, be an exaggeration to say that the Government's decision with

regard to the treatment of maturing debt, and the complete absence of any element of funding in the last two operations, has had a decisive influence on markets. The evidence that the Korean debacle might have less serious consequences than was at one time feared, the strong suggestion of internal strife in the U.S.S.R., implicit in the arrest of Beria, helped in a rally in the funds. But these factors were in part offset by slightly disappointing figures of overseas trade in June and of the addition to the sterling area gold and dollar reserves, while the impression that we are rather losing ground was in part confirmed by more than one statement from leading ministers on the need for increased exports and for strict control over costs. It cannot be said that, in regard to the latter, the granting of a rise of 7s. a week to farm workers is an encouraging development for it must mean, at least in the short run, either higher subsidy payments or a rise in the cost of living which will give some justification to the demands of so many sections of industrial workers for higher wage rates. In all the circumstances it is rather surprising that, by the middle of the month, prices showed a further rise almost equal to that of the preceding month. No doubt some of the results announced fully confirmed the expectation that the cushions of lower tax payments and reduced provision for stock in trade would remove the sting from falling trading profits, but it is very difficult to maintain that the outlook is improving at the moment. One bright spot is the reduction in the selling price of "Fibro" by Courtaulds. In so far as this is a reflection of the fruits of past capital outlays, which may be paralleled in the experience of other companies, it is an ample reason for confidence but in too many cases it is at least possible that lower overhead charges will be fully offset by higher wage costs. The other feature of the month has been some further weakening in raw material prices. The net effect of numerous factors is reflected in the following changes in the indices compiled by the *Financial Times* between June 25 and July 22: Government securities from 97.25 to 97.48, Fixed Interest securities from 108.36 to 108.63, industrial ordinary from 117.5 to 120.5, gold mines from 87.74 to 86.44.

Investment in Canada

Of all British Commonwealth areas, Canada appears at present to offer the best

and largest opportunities for profitable investment, subject of course the difficulty of obtaining dollars even for the relatively small amount of British savings likely to be available. It is, therefore, good news to learn that another group is interesting itself in this problem. This group consists of S. G. Warburg & Co., Helbert Wagg & Co. and the "Three Banks" group through Glyn, Mills & Co. The object is to provide finance and technical experience for the development of the natural resources and trade and industry of the Dominion and the net seems to cover rather more ground than the three other ventures so far announced. The amount which has, so far, become available for investment in Canada is modest but not negligible. The figure for the first half of this year was recently given at £17,500,000, but this is direct grant of the Bank of England and the total is certainly somewhat larger. A further material expansion should be possible as soon as the restrictions on switching Canadian securities in London can be withdrawn.

Letters to the Editor

Dividends—Gross or Net?

SIR,—I send for your consideration the following presentation of the information referred to on page 195 of the June issue of ACCOUNTANCY:

Deduct—	£ thous.			
	Profit before tax	Net Dividend	Income Tax	Profits Tax Thereon
	£ thous.	£ thous.	£ thous.	£ thous.
(i) Profits Tax	—	—	5	5
				195 available for gross dividend and distribution tax thereon.
(ii) Preference Dividend at x per cent. less tax	22	18	8	48
				147 available for gross ordinary dividend and distribution tax thereon.
(iii) Ordinary Dividend at y per cent., less tax	33	27	12	72
				75
(iv) Income Tax borne by retained Profits	—	45	—	45
Total paid away	55	90	25	—
				Retained Profits .. £30 carried forward

Points from Published Accounts

Confessional

IT FALLS TO THE LOT OF THE WRITER TO examine hundreds of published company reports every year for, he hopes, the enlightenment and benefit of investors. This perhaps unusual task has advantages and disadvantages. On the positive side it is possible to declare, with reasonable authority, what the majority accounting practices are, and to note the changes that are of interest. On the negative side, the adoption by companies of a novel form of presentation can be extremely irritating, as time is wasted in switching the brain to a new conception, so that innovations may at times be deplored without regard being paid to their value. This attitude may be true of many who work for financial institutions and are in daily contact with company reports. It is so much easier to cope with the majority practice!

Now a correspondent, whose letter is published adjoining this note, comes along with a defence of the pioneers but, respectfully, it may be questioned if he has seen some of the pioneering accounting freaks that have lain on the writer's desk. And surely his description of the evolution of the "accepted conventions" is a denigration of the lead given by accounting bodies to their members? Further, it is reasonable to suggest that investors are familiar with the majority practice, and are confused by deviations, probably to an even greater extent than is the writer. The point has been hammered home many times in these notes that accounts are prepared for the shareholder, whose logic may not overcome some of the accounting intricacies.

In the last two issues of ACCOUNTANCY a good deal of space has been devoted to the method of presenting the earnings and dividend figures, in an attempt to arrive at a system which gives shareholders the true picture in as simple a form as possible. The cases for orthodoxy and for the pioneers have, it is hoped, been presented fairly and objectively, with readers being left to cast their verdict. An attempt has also been made, it is confessed, to spur the profession into considering whether or not some revisions are desirable.

In this connection it must be stressed that if there is a major change to showing net profits before tax, and deducting dividends at their gross amount, there would be considerable confusion in some circles. The profits tables going back over years,

which are annually brought up to date by financial periodicals, and the two statistical services on which they and investors rely (the latter either directly or through their stockbrokers) might need wholesale revision, since they all follow the majority procedure of showing net profits after tax. But even without revision the earnings picture would not be confused, as *percentage earnings* on the Ordinary capital will always be calculated before and after allowing for full distributed profits tax.

But there would be no guarantee of 100 per cent. acceptance of a top-level suggestion of major changes by either companies or their accountants, just as at present there are still those who persist in ploughing their own individual furrows.

Is there not a case for accounting leaders to show greater interest in any novel methods, and to bestow upon them their official blessing or ridicule, with some measure of official backing? For instance, what is the official opinion on the article entitled "The Capital Error" by Mr. P. N. Wallis, published in *Accounting Research* for April, 1953? This article seemed to be based on the view that a reserve was sweet whatever its name, and that the segregation of reserves into revenue and capital, and their subdivision into specific reserves, was an unnecessary refinement. Similarly, could we not have a verdict upon the question of whether dividends should be shown gross or net?

Mr. Hill may be asking who the ostriches are (see the last sentence of his letter). Well, we have received a most encouraging reaction to our recent articles and notes on this question of the treatment of dividends. In our correspondence columns on this and the preceding page appears another idea from a reader for setting out the appropriation of profits as dividend. This lines up with the method of setting out that is adopted in many offers for sale and the like, and is refreshingly simple.

Anonymous

As an addendum to our reply, in the preceding note, to Mr. Hill, we should like to reproduce the group profit and loss account of *Parkland Manufacturing* (but pressure on space forbids). If there is a net profit struck it is shrouded in anonymity, and to cloud the normal net earnings picture the company has debited the profits with the distributed profits tax liability on a special, non-recurring jubilee bonus

The total for net dividends and tax are seen at a glance and the cover for dividends is clearly shown. To obtain "profit after tax" requires a deduction from £195,000 of two figures I agree, but since part of the tax charge depends on dividend policy I suggest that "profit after tax" is misleading as one would think that such sum was all available for distribution, and of course this is not necessarily so.

Furthermore, the practice of comparing "net dividends" with "total tax charge" is quite unjustified and shows the shareholders in an exaggeratedly "hard done to" light just as dividends expressed as a percentage of nominal capital give the opposite impression.

Yours faithfully,

E. R. KERMODE.

Liverpool,

June 22, 1953.

SIR,—May I completely disagree with the contention in your feature "Points from Published Accounts," that there is only one "conventional" figure that should be labelled profit in published accounts.

What are these "accepted conventions" that companies are bidden to observe? Are they immutable rules laid down by some professional Moses? Of course not—they are methods of presentation that are in fact continually changing. Are the "accepted conventions" of 1953 those of 1923 or even 1943? They may be in the profession which I left many years ago, but they very certainly are not in industry.

How then are these "accepted conventions" evolved? They are introduced by a few pioneers who see a better way of doing a job and act accordingly against the opposition of the majority. In the end the majority comes into line. How wrong then you are to suggest that the accepted conventions of 1953 should be observed by all—presumably for ever.

There is no progress without change, and even the ostrich has to take its head out of the sand occasionally if it wishes to get anywhere.

Yours faithfully,

Birmingham,

E. G. HILL, A.S.A.A.

July 6, 1953.

These two letters are discussed in our feature "Points from Published Accounts" on this page.

New Assistant Registrar of Companies

Mr. S. J. Humble has been appointed Assistant Registrar of Companies and Assistant Registrar of Business Names in England and Wales, in succession to Mr. A. J. C. Mann.

of a handsome amount. A net profit is, in fact, struck, but it appears in the bottom right hand corner and it is shown before deducting a dividend payable to outside Preference shareholders of a subsidiary. And seven items are interpolated between the interim and final Ordinary dividends. This sort of thing may send some financial commentators climbing up the wall.

On Approval

Let us be constructive, and frame a hypothetical profit and loss account which should meet the requirements of a shareholder. Whether or not it fulfils the legal requirements is beside the point, for, as a reader has wisely suggested, a company is entirely at liberty to prepare legal accounts and, as well, accounts which meet the needs of shareholders. Here is a suggested tabular presentation:

TRADING PROFIT ...	...	£	000,000
Less Depreciation ...	...	00,000	
Directors' remuneration ...	...	00,000	
Audit fees ...	...	0,000	
Debt interest ...	...	00,000	000,000
PROFITS SUBJECT TO TAXATION ...	...	000,000	
Less Profits tax at 2½ per cent. ...	...	0,000	
		000,000	
Less Preference dividend (gross) ...	00,000		
Distributed profits tax thereon ...	0,000	00,000	
		000,000	
Less Ordinary dividend (gross) ...	00,000		
Distributed profits tax thereon ...	0,000	00,000	
		000,000	
Available for reserves ...	...	000,000	
Less Income tax thereon ...	...	000,000	
NET AMOUNT AVAILABLE FOR RESERVES ...	...	000,000	
Add Brought forward ...	...	00,000	
Less To Reserves ...	...	000,000	000,000
		000,000	
Add/Deduct Net non-recurring items ...	...	00,000	
Carried forward ...	...	00,000	

Notes.—1. The non-recurring items include:

	Gross	Net
Profit/loss on sale of fixed assets	00,000	00,000
Profit/loss on sale of investments	00,000	00,000
Tax over/under provided in earlier years ...	00,000	00,000
New issue expenses ...	0,000	0,000
Profits relating to previous years	0,000	0,000

2. Of the profits available for reserves £00,000 would be paid in distributed profits tax assuming that an additional £00,000 were paid to shareholders. On this basis earnings on the Ordinary capital are 00.0 per cent.

This is a broad framework, not designed to cover every contingency that may arise. (You cannot write a text-book on a postage stamp!) But at least the shareholder gets an accounting idea of what could be paid out in dividend and it is up to the compilers to prove whether or not their dividend policy is realistic. In this connection we heard the view expressed recently by a company director that it was denying the present generation of shareholders its just deserts to make full provision for maintenance of the physical earning capacity of the business. As his company is not an industrial one we did not quibble.

Perplexing

Perhaps some shareholder of *Greyhound Racing Association Trust* has worked out the "normal" cover for his dividends, since this is presumably what he wishes the accounts to show him. He deserves full marks if he has, for here are some of the obstacles he has to negotiate.

First, a footnote states that the group trading profit is stated after deducting six items, which include (a) a non-recurring loss; (b) a provision against an unquoted investment (non-recurring?); (c) a provision against premium on shares in subsidiaries (non-recurring?). Second, the net trading profit and income of the holding company for the year is shown after adding (a) increase in value of sinking fund and other insurances, and (b) profit on realisation of fixed assets. Third, income tax 1953-54 is charged after crediting £13,459 tax on expenditure charged to deferred repairs (non-recurring?).

To the net trading profit and income of the group is added loss less profits carried forward by subsidiaries after deducting a provision made by the holding company against its share of the loss. Then the distributed profits tax liability is shown immediately underneath the net share dividends, with the dividends of the two classes of Preference capital lumped together. Our money is not on the dogs.

Changed Accounting for Work in Progress—1

The flexibility of accounting procedure which the Companies Act affords is demonstrated by the *Rolls-Royce Report*. The criticism in some quarters cannot be said to be answered entirely by the revelation of the effect of the changes, for the simple reason that it is apparently open to companies to choose whichever of two methods they please and, equally, to switch at will from one to the other so long as the appropriate information is passed on in the report. The fifth paragraph of the *Rolls-Royce* report contains the following words:

It has in the past been the policy of your directors to regard certain manufacturing expenses, notably jigs and tools and maintenance and depreciation of plant, as charges which should be wholly borne by the profits of the year in which the expense was incurred and to exclude any such items from the overhead content of the stock valuation. The expansion in the group's business, and changes in manufacturing techniques that have taken place in recent years, have called for a substantial increase in such expenditure, the cost of which, in 1952, was greatly in excess of that incurred in any previous year. Your directors consider that if the whole of this expenditure were to be charged against the profit of 1952, the resultant figure of profit would be misleading to stockholders. They have therefore decided to adopt a

revised basis of stock valuation, which includes the appropriate proportion of such expenses as part of the cost of the product. The effect on the trading profits of the last three years will be seen from the following comparative figures:

	1952	1951	1950
Trading profit on old basis	1,244,484	1,384,162	981,470
Trading profit on new basis	1,875,305	1,668,487	1,051,746

These profits are shown after providing for depreciation, and it would seem preferable to have shown them before as the provision has altered radically, so obscuring the prime trading profits of the three years.

Changed Accounting for Work in Progress—2

In his speech with the accounts of *Constructors* the chairman refers back to the report of the auditors given with the particulars attached to the offer for sale of the company's Ordinary shares:

The auditors stated that the profits certified were after making adjustments for, *inter alia*, "overhead expenses relative to valuations of work in progress at accounting dates on the basis agreed subsequently for taxation purposes."

He explains that this adjustment was necessary as the company had, in the past, always valued its work in progress at cost of materials and labour only, although overhead expenses relative thereto had been included for tax purposes. In preparing the 1952 accounts the directors have followed the procedure adopted in the published statement and have included overheads in the valuation of work in progress at the year-end.

The Unilever Report

Unilever is one of the largest undertakings in the country, and its accounting technique is therefore of wide interest and close scrutiny. The *Investors' Chronicle*, for example, devoted over two pages to an examination of them, and "Lex" of the *Financial Times* was mildly critical because the methods adopted did not simplify the task of comparing the results with those of other companies. That, in fact, seems to be the crux of the criticism of several financial commentators. The first-named journal "has had the duty of championing the principle of realistic accounting even while criticising individual efforts to carry some of its features into effect." It is, says the author, one thing to plead for a change made systematically under the impetus of accounting thought, acquiesced in by the tax people, and enshrined in an amendment to the Companies Act, but quite another to receive without question the attempts by companies, however, eminent and well meaning, to solve the problem in their own way.

One accounting method that is criticised is the showing of transfers to fixed assets replacement reserves before striking the net profit, for the reason that these transfers are entirely a matter for directorial discretion:

Whatever course it may follow in practice, a board is under no compulsion to relate its transfers to the true annual economic liability it is claiming to meet, and there is nothing to prevent it from switching on to another track at any time it likes.

The treatment of transfers to and from stock reserves is also examined. In 1951 there was a provision from taxed profits so that the tax charge was heavy in relation to the "profit after taxation." In 1952 a part of the provision is brought to profit and loss and does not attract tax, and so the tax charge is proportionately light. States the author:

It looks very much as if an effort to iron out the effect of fluctuations in stock values, in accordance with the tenets of replacement accounting, has resulted, quite unintentionally, in endowing manufacturing and trading profits with an air of stability which they did not, in fact, possess.

Group Profits Treatment

The accounts of *British Drug Houses* are recommended to students as an example of the simple method of dealing with group net profits, as well as for their general excellent layout. Whether or not the company is academically correct is a matter for discussion. It certainly does not go into the detail of some other companies—for example *Bell's Asbestos and Engineering*—but perhaps this extremely detailed presentation is unnecessary. After striking a group profit, *Bell's Asbestos* gives us the following narration:

GROUP PROFIT FOR THE YEAR	£	£
		219,305
Add:		
Provision for stock depreciation by subsidiary company, no longer required	5,999	
War damage claim payable to subsidiary company	2,375	
		<u>8,374</u>
		227,679
Less:		
Transfer to general reserve by subsidiary companies	22,083	
Transfer to stock reserve by subsidiary companies	18,083	
Proportion of profits of subsidiary companies attributable to minority interests	7,732	
Dividends to preference shareholders of a subsidiary company	2,887	
		<u>50,785</u>
		176,894
Add:		
Balance brought forward from last year—subsidiary companies		97,663
		<u>274,557</u>
Less:		
Balance carried forward—subsidiary companies		142,470
PROFIT FOR THE YEAR available for appropriation by parent company		<u>£132,087</u>

British Drug Houses, on the other hand, strikes a profit for the year subject to taxation, debits tax, and then carries down the entire £163,827 of group net profit, showing its composition as follows:

GROUP PROFITS TREATMENT	£	£
Balance of profit for the year, comprising—net profits retained in the accounts of subsidiaries	22,168	
Net profit of The British Drug Houses Ltd.	141,659	163,827

This is, it may be conceded, a most effective method of indicating the group net profit available for shareholders' dividends. The company does not bother to subdivide the amounts brought forward and carried forward as between parent and subsidiaries.

By way of contrast there is the presentation of *Capeals*. On the credit side of the group profit and loss account is shown a single "Net profit before charging the items enumerated opposite," and this is how the items are set out:

DEPRECIATION	£	s.	d.	£	s.	d.
DIRECTORS' REMUNERATION:				8,629	3	10
Salaries and Fees	13,910	0	0	13,910	0	0
Contributions under Pension Schemes	3,030	14	2			
	<u>£16,940</u>	<u>14</u>	<u>2</u>			
Audit				575	7	4
Profits Tax				23,114	11	2
				<u>6,411</u>	<u>6</u>	<u>6</u>
Income Tax for 1953-54				29,525	17	8
				<u>23,591</u>	<u>6</u>	<u>0</u>
Proposed Net Dividend				53,117	3	8
				<u>13,750</u>	<u>0</u>	<u>0</u>
Balance Carried Down				66,867	3	8
				<u>8,002</u>	<u>10</u>	<u>7</u>
				<u>£74,869</u>	<u>14</u>	<u>3</u>

But why the shillings and pence?

Another simple treatment is that of *Allen West*, which also carries down the whole of the group net profit to the consolidated appropriation account after deducting minority interests, and shows the general reserve transfers of the parent and one subsidiary and the amounts brought forward and carried by the parent and subsidiaries. There can be little doubt, bearing in mind what shareholders want to know, of what is the most effective presentation. That of *Capeals* is so unusual that although it does show simply the £8,002 profit margin over dividends, there is a possibility that some shareholders may be perplexed.

Comparative Figures

Having so often expressed the desire that comparative figures should be as close together as possible in order to expedite comparison, it is a welcome task to congratulate *Lancashire Dynamo Holdings* on the balance sheet presentation. On the left flank of the balance-sheet items are the

parent figures for the latest and previous year, with the group figures on the right flank. The earlier figures are printed in red. The accounts are accompanied by the chairman's speech and illustrations and details of the company's products, and an interesting page is devoted to the "Year In Review." This sets out the issued share capital, number of stockholders, the average amount of stock held by each stockholder, the capital employed in the group, approximate turnover, trading profits actual and as a percentage on turnover, the number of employees, and so on. The regular publication of this information would give a graphic, moving picture of the company's progress and would no doubt be welcomed by shareholders.

Fixed Assets Details

An unusual amount of detail regarding the fixed assets is included in the accounts of *Barnett-Hutton*. The explanation may be that a controlling interest changed hands last year and that a bid has been made for the minority interests. Whatever the reason a similar disclosure of information about the fixed assets would be welcomed by shareholders of many another company. The following information is extracted from the group balance-sheet:

FIXED ASSETS:	£
Freehold and long leasehold properties	244,759
(Properties included above at a book value of £221,703 were valued by Messrs. Hillier, Parker, May and Rowden as at January 31, 1951, at £286,450).	
Other leasehold properties, viz:	
Over 30 years unexpired	14,221
Under 30 years unexpired	18,499
Shopfronts, improvements, interiors and fixtures	63,060
Loose fittings, furniture and motor vehicles	63,827
	<u>£404,366</u>

This is further amplified in a schedule to the accounts, which is not reproduced for space considerations.

Reports of Tax Cases

Interest continues to be shown in all the reports in this series. Many of the reports are out of print and stocks of others are low. In some instances copies have not been available for many years. Consideration is now being given by Her Majesty's Stationery Office to the question of reprinting, but first it is necessary to know whether the demand for copies is such as would justify the expenditure involved. If reprinting is undertaken it is hoped to publish the Reports at not more than 5s. net, per Part.

The Stationery Office invites those interested to indicate which Parts published in volumes 1-30 they may require: a form for the purpose can be obtained from the Director of Publications (S.P.), H.M. Stationery Office, Holborn Viaduct, London, E.C.1.

Publications

POWERS AND DUTIES OF A LIQUIDATOR IN A VOLUNTARY WINDING-UP. By Brian A. W. Holt. (*Jordan and Sons, Ltd., London. Price 12s. 6d. net.*)

The author set out to provide "a quick and easy reference to the procedure and practice in a voluntary winding-up." In the 51 pages devoted to his subject matter he seems to have succeeded. In this short space the book provides a comprehensive survey of the law relating to voluntary liquidations both in members and creditors' winding-up. It is carefully and copiously annotated to the relevant Sections of the Companies Act, the Companies Rules and to Case Law.

Pages 52 to 142 contain six appendices and an efficient index. The appendices are:

- (1) A summary of procedure in a members' voluntary winding-up.
- (2) A summary of procedure in a creditors' winding-up.
- (3) An extract of the Companies (Winding-up) Rules, 1949, applicable in a voluntary winding-up.
- (4) and (5) Forms prescribed by the Companies (Winding-up) Rules and other forms.
- (6) Table of offences and penalties.

The work is confined to law and procedure. It does not profess to discuss or criticise the application of the law. It makes, for instance, no reference to the inability of creditors to appoint their own nominee as liquidator, where in a members' liquidation it is found that the company is insolvent; neither does it discuss the circumstances under which a liquidator may be removed by the Court under Section 304 of the Act.

The author mentions that where application is made to the court to fix the liquidator's remuneration, the court is guided by the scale of fees payable to the Official Receiver. It does not discuss the inequity of this or comment on the fact that the Official Receiver is a salaried official, whilst the liquidator is usually a professional man with office overhead charges to meet.

In its outlook, therefore, the book becomes an index to the law on voluntary liquidation comparable to *Kerr* on the subject of Receivers, although it is not as complete as the latter in regard to case law. Mr. Holt (who is a solicitor) has produced a work which should be on the bookshelf of every practising accountant. D. M.

THE PROFITS TAX. By Roy Borneman, Q.C. and Percy F. Hughes, A.S.A.A. Second Edition. (*Taxation Publishing Co., Ltd., London. Price 21s. net.*)

Since the publication of the first edition of this work, each succeeding Finance Act, together with the Profits Tax Act, 1949, have introduced amendments, including a number of considerable importance. There has also been a number of Court decisions. It is not surprising that all these developments have enjoined a considerable expansion both of the text and of the appendices.

The new edition follows the pattern set by its predecessor, and other well-known works by the same authors, in setting out the relevant legislative provisions in heavy type, followed by the authors' explanations and comments. The helpful examples have also been increased to over a hundred.

One feature of this edition is the treatment of the commonly arising but often difficult subject of directorial control. Since the well-known *Bibby* case, there has been a series of decisions affecting various aspects of this question and the inclusion of detailed notes of these cases is welcome. Other features are a separate chapter on avoidance and the inclusion in the appendices of a note dealing with the treatment of profits tax under agreements providing for commission or other payments calculated by reference to profits.

It is understandable that it was not practicable to deal with the subject of double or unilateral taxation relief within the scope of this treatise but it would possibly be a convenience if it could be arranged that appendices to future editions should include the concessions published from time to time by the Board of Inland Revenue. Otherwise the new volume provides a comprehensive treatment of the subject by an excellent combination of lawyer and accountant and it should be assured of a ready welcome by all concerned with taxation. R. A. F.

SPICER AND PEGLER'S INCOME TAX AND PROFITS TAX. Twentieth Edition by H. A. R. J. Wilson, F.C.A., F.S.A.A. (*H. F. L. (Publishers) Limited, London. Price 30s. net.*)

When this work was first published in 1907, the standard rate of income tax was 1s. in the £ and sur-tax and profits tax had not been enacted. Not unnaturally, the volume was then a slender one!

Each succeeding edition has required expansion to cope with legislative developments and the continued flow of judicial decisions. The consolidation effected by the Income Tax Act, 1952, has made it necessary also to revise the text of the present edition. Although it has inevitably been necessary to be selective in deciding upon the provisions of the law to be discussed and illustrated in detail, there is a large number of most helpful illustrations and computations included in this text of over 500 pages. A separate chapter is devoted to double taxation relief and unilateral relief and another to profits tax, while among the seventeen appendices the subjects covered include bankruptcy and winding-up regulations regarding claims for taxes, Land Tax and Corporation Duty.

A very wide field is surveyed thoroughly and comprehensively. The approach to the subject is eminently a practical one and the work is lucidly and concisely written. This is the twentieth edition in the space of forty-six years: generations of students during that time have been grateful both to the original authors and also to the well-known accountant who for many years has been responsible for successive editions. Students and practitioners alike will appreciate the merits of this volume and look forward to its continuance in future editions—which doubtless the unceasing development of taxation will require. R. A. F.

THE SCOTT-WATSON ACCOUNT BOOK. (*Published by Trendell's, Ltd., New Malden, Surrey. Price 11s. 6d. post free.*)

The Scott-Watson Account Book is designed mainly for the small retail trader. Each page is divided into three sections and one page is used per week. In one section is a summary of all cash transactions carried out during the week, starting with the balance forward; the other two sections are for cash receipts and for payments. The receipts section shows daily takings and sundry receipts separately; the payments section is split into two parts, one for the normal recurring expenses common to all businesses such as rent, rates and wages, and the other for purchases of goods for resale, payments by cash and cheque being shown in separate columns. By means of "blackened out" portions, it is impossible to enter such items as bank charges and moneys banked in the wrong columns.

The book could be used by persons having little knowledge of book-keeping and the use of it could be easily explained to them. A disadvantage is that there are no running totals or summaries; this necessitates extra work at the year-end, and it is still necessary to keep a "bank" cash book and wages book for use with this account book. The period of use is just over twelve months, so

Legal Notes

that there is no inconvenience caused by the annual audit and it is also available in a loose-leaf form if required.

Income tax summaries have been designed by the same author. These show the assessable income, personal allowances, the amount of income charged at reduced and standard rates with a detachable portion for noting demand notes and collector's receipts. It is felt that the form would be improved by the inclusion of two columns, one for chargeable income and one for total tax charged. It does, however, allow a clear view to be gained of the trader's tax position at any particular date.

G. E. C.

H.F.L. Publishers announce that they have prepared a supplement to the 18th edition of *Executorship Law and Accounts*, dealing with the Intestates' Estates Act, 1952. This supplement will, in future, be issued with the book at no charge. Possessors of the 18th edition of this book can obtain a copy of the supplement by sending 3d. in stamps to cover cost of postage, to H.F.L. (Publishers), Ltd., 66, Chandos Place, W.C.2.

BOOKS RECEIVED

THE LAW RELATING TO BANKRUPTCY, DEEDS OF ARRANGEMENT, RECEIVERSHIPS AND TRUSTEESHIPS. By O. Griffiths, M.A., LL.B. Fifth Edition. (Textbooks, Ltd. Price 17s. 6d.)

"TAXATION" MANUAL. Compiled by Barristers and Experts under the direction of Ronald Staples. Seventh Edition. (Taxation Publishing Co., Ltd. Price 21s. net.)

TRUSTEE SAVINGS BANKS, 1953. (Issued for the Trustee Savings Banks Association by Wyman & Sons, Ltd., Fakenham, Norfolk.)

COLLINS' TRADE RECKONER. Contains calculations from 1/64th of a penny to a pound. Profit and Discount, Tonnage, Interest, Wages and Trade Tables, etc. (Collins, Publishers, London and Glasgow. Price 6s. 6d. net.)

COLLINS' UNIQUE GEM RECKONER. Specially compiled for needs of Directors and Senior Executives. Contains Profit and Discount, Foreign Exchange Conversion, Stocks and Shares Tables, etc. (Collins, Publishers, London and Glasgow. Price 3s. 6d. net.)

NUMERICAL TABLE, S.R. & O. AND S.I., as at December 31, 1952. (Her Majesty's Stationery Office. Price 7s. 6d. net.)

S.I. EFFECTS. A table recording the effect of Statutory Instruments on previous Statutory Rules and Orders and Statutory Instruments as at December 31, 1952. (Her Majesty's Stationery Office. Price 5s. net.)

Executorship Law and Trusts—Covenant to Settle After Acquired Property.

In marriage settlements it is quite common for the settlor to insert a clause covenanting that he or she will vest in the trustees any property that may afterwards be acquired and in **Re Maltby Marriage Settlement** (1953, 1 W.L.R. 765) the Court had to construe a marriage settlement in which the wife had covenanted "that there shall be duly vested in the trustees . . . all real and personal property exceeding in value from the same source £200 to which the wife may afterwards during the marriage become entitled in possession or reversion." The settlement was made in 1937 and upon her father's death in 1951 the wife became entitled to a share in two funds. One fund had been created by the will of her grandfather who died in 1927 and who bequeathed a share in the fund to the wife subject to a life interest in favour of her father. Harman, J., held that the wife's share in this fund was not caught by the covenant; the wife had a vested interest before her marriage and it did not matter that the interest only fell into possession after the marriage. The second fund was created by the marriage settlement made by the wife's parents in 1907. Subject to their own life interests, they settled the fund upon trust for such of their issue as they or the survivor of them should appoint and subject to any such appointment upon the trusts therein mentioned; by his will dated 1949, the father made an appointment in favour of the wife and his other children. It was held that the wife's interest in this fund had been created after her marriage and was caught by the covenant in the settlement.

Executorship Law and Trusts—Claim by Foreign State to Administer Estate.

In **The Estate of Maldonado, deceased** (1953, 3 W.L.R. 204) there was an interesting dispute between the State of Spain and the Treasury Solicitor. M, who was domiciled in Spain, died intestate leaving no next-of-kin. He had some movable property in England and the State of Spain claimed that it had the right both to a grant of letters of administration to this property and to the beneficial interest in it. Barnard, J., said that, by Spanish law the State of Spain was the personal representative of the deceased and as the administration of personal property belongs to the Court of the country where the deceased was domiciled at his death, the State of Spain was entitled to a grant. The question of beneficial interest was more

complicated. Under English law, when no next-of-kin are left, the estate of the deceased has no owner and the Crown steps in to take the estate as *bona vacantia*. If Spanish law had been the same, the State of Spain could claim no ownership and the property would pass to the Crown; under Spanish law, however, the State of Spain was a true owner and was entitled to the property.

Executorship Law and Trusts—Appointment of Sole Administrator pendente lite.

In **The Estate of Lindley, deceased** (1953, 3 W.L.R. 169), Wallington, J., held that the possibility of a life interest or a minority interest arising did not prevent him from appointing one person only as administrator *pendente lite*.

Contract and Tort—Obligation of Bank to Enemy Customer.

Wars raise many legal problems and one problem was discussed in **Arab Bank, Ltd. v. Barclays Bank (Dominion, Colonial and Overseas)** (1953; 3 W.L.R. 67). The A. Bank had its registered office in Jerusalem and was in credit on its current account with the branch of the B. Bank in that city. On the termination of the British mandate in 1948 war broke out between Israel and the Arab States and the A. Bank found itself in the Arab part of Jerusalem and the B. Bank in the Jewish part. The Israeli Government issued regulations which made it illegal to make payments to any person outside Israel, and later the credit balance was paid by the B. Bank to the Israeli Custodian of Absentee Property.

The A. Bank contended that the contract of current account was frustrated by the war, but that there arose by operation of law a new obligation by the B. Bank to refund the amount by which they had been unjustly enriched by the frustration, the obligation being in the nature of a simple debt situate at the B. Bank's place of residence, namely, their head office in London. The Court of Appeal agreed that the contract had been frustrated, but held that no such new obligation was created, for, if the B. Bank was bound to pay at another place those who were the enemies of Israel, the result would in effect be the same as though the balance was paid direct. What did happen on the frustration was that a debt arose from the B. Bank to the A. Bank but the right to recover that debt was suspended for the duration of the war. As the state of war still existed in spite of a truce, the A. Bank failed in their claim.

The Society of Incorporated Accountants

DINNER TO THE LORD MAYOR OF LONDON

THE PRESIDENT, MR. C. PERCY BARROWCLIFF, and the Council of the Society of Incorporated Accountants gave a dinner on July 21 at Incorporated Accountants' Hall in honour of the Rt. Hon. the Lord Mayor of London, Sir Rupert de la Bère, K.C.V.O., M.P. Among those present were: Mr. H. Beer, C.B.; Sir Bernhard Binder; Sir Leslie Bowker, K.C.V.O., O.B.E., M.C.; Sir John Braithwaite; Vice-Admiral T. B. Drew, C.B., O.B.E.; Sir Sidney Fox, C.C., Sheriff; Alderman and Sheriff Sir Harold Gillett, M.C.; Sir Wyndham Hirst, C.B.E.; Sir Thomas Keens; Sir Gerald Kelly, P.R.A.; Sir Norman Kipping; Sir Denys Lowson, BART.; Dr. A. H. Marshall; The Very Rev. W. R. Matthews, K.C.V.O., D.D.; Sir Brian Mountain; Mr. Bertram Nelson, The Rt. Hon. Lord Piercy; Mr. Howard Robertson, M.C., A.R.A.; Major-General Sir Edward Spears, BART., C.B., M.C.; His Honour Judge A. Ralph Thomas; Sir Percy Thomas, P.P.R.I.B.A.; Mr. Frank Travers and Sir James Turner.

Mr. C. Percy Barrowcliff, F.S.A.A., the president, proposed the toast of the Lord Mayor and the Corporation of London, and the Lord Mayor of London responded. The toast of the guests was proposed by the vice-president, Mr. Bertram Nelson, F.S.A.A., and the reply to the toast was by the Very Rev. W. R. Matthews, K.C.V.O., D.D., the Dean of St. Paul's.

SIR HAROLD HOWITT

THE PRESIDENT AND COUNCIL OF THE SOCIETY had the pleasure of entertaining Sir Harold and Lady Howitt to luncheon at Incorporated Accountants' Hall on Tuesday, July 21, to mark the occasion of Sir Harold's election to honorary membership of the Society. Mr. C. Percy Barrowcliff, president of the Society, presided and there were present Mrs. Barrowcliff and members of the Council and their ladies.

In proposing a toast to Sir Harold and Lady Howitt, the president referred to Sir Harold's distinguished career and to his outstanding contributions to the profession.

In replying to the toast, Sir Harold expressed his pride and pleasure at the honour conferred upon him by the Society and spoke of his personal friendships with past and present members of the Society.



Mr. Festus Moffat, O.B.E., J.P., F.S.A.A., who was recently elected to the Council of the Society of Incorporated Accountants.

INCORPORATED ACCOUNTANTS' BENEVOLENT FUND

THE SIXTIETH ANNUAL GENERAL MEETING of subscribers and donors to the Benevolent Fund was held at Incorporated Accountants' Hall on May 19.

The chair was taken by Sir Thomas Keens, President of the Fund. Extracts from the report were published in our last issue (page 241).

Sir Thomas said:

It is my privilege as president of the Fund to submit for your consideration the Report of the Trustees and the Accounts of the Fund for the year 1952.

You will observe that there are now thirty-nine beneficiaries as against thirty a year ago. The amount disbursed in grants was £3,280 as against £2,794 in 1951. The trustees continued to deal with the applications before them as sympathetically and generously as the circumstances permitted but I do want to stress again that it is upon the annual contributions that the trustees mainly rely in the

administration of the Fund. In extending my warm thanks to subscribers and in acknowledging with gratitude the five gifts and legacies mentioned in the report I do earnestly appeal for an even wider measure of support to the Fund from Incorporated Accountants during the current year.

It is with deep sorrow that I record the deaths of Mr. Arthur Collins and Mr. R. B. Hogg. Mr. Collins had been a vice-president of the Fund since 1927, and but for his untimely death Mr. Hogg would have been nominated for election as a vice-president at last year's annual meeting. I cannot allow this occasion to pass without paying special tribute to the life-long interest and support which the Fund enjoyed from Mr. Collins and Mr. Hogg.

It is only fitting that I should record our deep appreciation of the help given in so many directions by individual members, not only to the trustees but to beneficiaries of the Fund. Their helpful advice has been of great value.

Finally, I extend on your behalf to the chairman of the trustees, Mr. Toothill, and his colleagues our warm thanks for their work and for their very capable administration of the Fund.

I promised at the outset that my remarks would be brief and now I beg to move the adoption of the report and accounts for the year 1952 and I ask Mr. Toothill if he will be good enough to second that proposition.

Mr. Percy Toothill, chairman of the trustees seconded the proposition. The report and accounts were adopted.

Mr. F. R. Witty proposed the re-election of Sir Thomas Keens as president of the Fund. Mr. F. C. Smailes seconded the resolution which was carried unanimously. Mr. J. W. Richardson proposed the re-election as vice-presidents of Mr. Alexander Hannah, Mr. William Strachan, Mr. W. McIntosh Whyte, Mr. W. Southwood Smith, Mr. A. A. Garrett, Sir Frederick Alban and Mr. George William Chapman. This was seconded by Mr. R. J. Neely and carried. Mr. Cyril Drewitt Gibson and Mr. Alfred Peter Rivers were elected vice-presidents of the Fund, on the motion of Mr. R. Wilson Bartlett, seconded by Mr. Percy Toothill.

The trustees (Mr. Percy Toothill, Mr. R. M. Branson, Mr. Walter Holman, Mr. R. Wilson Bartlett and Mr. E. Cassleton Elliott) were elected. The motion was proposed by Mr. D. Mahony, seconded by Mr. L. Quinton, and carried unanimously.

Mr. E. J. Waldron proposed the re-election of Mr. James Allen as honorary auditor of the Fund, with a vote of thanks for his services during the past year. Mr. K. R. Stanley seconded the proposition, which was carried.

Mr. R. F. Emmerson proposed a hearty vote of thanks to Sir Thomas Keens for presiding. This was carried by acclamation.

SOCIETY DINNER—OCTOBER 20, 1953

AS PREVIOUSLY ANNOUNCED, THE COUNCIL of the Society has decided to hold three or four dinners every year at Incorporated Accountants' Hall. After making allowance for a number of official guests it is hoped that on each occasion 50 or so Incorporated Accountants from all parts of the country will be present. Each member is cordially invited to bring one personal guest: this limitation upon the number of guests has to be imposed because of the size of the Great Hall. The price of the tickets for each dinner will be £2 12s. 6d. per head (inclusive of cocktails, wines and cigars, etc.).

The next dinner will be held on Tuesday, October 20, 1953. Members who wish to attend are requested to write to the Secretary of the Society at Incorporated Accountants' Hall not later than Friday, September 18. Ladies may be invited as guests on this particular occasion.

Results

OF EXAMINATIONS

MAY 1953

FINAL EXAMINATION

PARTS I AND II.

Honours Candidates (7)

HENDER, John Derrik (City Treasurer's Department), Coventry. (*First Certificate of Merit and First Prize.*)

MARRIOTT, James Alan (with Hodgson, Harris & Co.), London. (*Second Certificate of Merit and Second Prize.*)

DAVIS, Desmond Frederick (with Barton, Mayhew & Co.), London. (*Third Certificate of Merit and Third Prize.*)

PLUMPTON, Allan Lionel (with Keeling & Co.), London. (*Fourth Certificate of Merit.*)

GREEN, John Edwin Vernon (Borough Treasurer's Department), Walthamstow. (*Fifth Certificate of Merit.*)

ROULLIER, John Harry (with Farrow, Bersey, Gain, Vincent & Co.), London. (*Sixth Certificate of Merit.*)

KELL, Ronald Wilson (with Peat, Marwick, Mitchell & Co.), Darlington. (*Seventh Certificate of Merit.*)

Candidates Passed (262)

Aberdeen—ROBB, David Alexander (with Jas. A. Jeffrey & Co.).

Arbroath—HERD, Ian Lyall (Town Chamberlain's Office).

Armagh—WILSON, Donald Ian (with Rawlinson, Allen & White).

Aylesbury—RAMSDEN, Arthur Basil (with R. Ramsden).

Bangor, N. Wales—KNOWLES, Thomas Reginald (with Highfield, Pritchard & Mumby).

Barrow-in-Furness—JOHNSON, Douglas James (with Peat, Marwick, Mitchell & Co.).

Bath—WHITE, Edward George (with Ralph D. Owen & Co.).

Beaconsfield—GROSS, Anthony William (with F. L. Rouse & Co.); HARDING, Derek Lionel (with F. L. Rouse & Co.).

Bedford—BEAN, Hubert Kenneth (County Treasurer's Department).

Belfast—BUSTARD, George David (with Muir & Addy); GRIFFITH, Thomas John Ferguson (with Olver & Spence); HARRIS, Richard Ernest (with Martin Shaw, Leslie & Shaw); KIRK, James (with Hill, Vellacott & Bailey); STEELE, Joseph Frederick (with Brown, Lewis and White).

Birmingham—BARTRAM, Albert (with Russell, Durie Kerr, Watson & Co.); BENNETT, Graham John (with Clement Keys & Son); NUTT, Kenneth Richard (with W. R. Lane, Son & Riley); REARDON, Robert Patrick (with Russell, Durie Kerr, Watson & Co.); WOODCOCK, Gordon (City Treasurer's Department).

Blackburn—HESKETH, William (with Frank A. Astley).

Bolton—CULSHAW, Geoffrey (with Harper, Pilling & Co.).

Bombay—CHERYAN, Poothicote Oommen, B.A. (formerly with Gondalia & Mandviwalla); GOLVALA, Keki Palanji (with Sorab S. Engineer and Co.); TARAPORE, Pheroze Jamshid (with Kalyanivalla & Mistry).

Bradford—DOLAN, John (with R. S. Dawson and Co.); GOODALL, George (with Dickinson, Keighley & Co.); HARDWICK, William Derek (with Rawlinson, Greaves & Mitchell); MORTON, Colin Harry (with Charles D. Buckle and Co.); NICHOLSON, William (with Rawlinson, Greaves & Mitchell).

Bridport—KNIGHT, Philip John (with G. L. Atherton & Co.).

Burnley—LOMAS, Bernard (with Rawlinson, Hargreaves, Smith & Wood).

Canterbury—COZENS, Ernest James (with Larking & Larking).

Cardiff—BOOKER, Eric Sidney (with Alfred D. Thomas); BURCHELL, Graham George Mark (with Sweeting, Pearce, Davies & Co.); LITTLESTONE, Neville (with David N. Curitz).

Carlisle—HALL, John (with Duthie & Son); MCPHAIL, Archibald (formerly with Duthie and Son); SLACK, Robert Myles (with Duthie and Son).

Chesham—LANE, Henry John Noxon (with George Hay & Co.).

Chester—MIDDLETON, Neil Stuart (Ministry of Housing and Local Government).

Cirencester—GOODALE, Frank Noel (with Midwinter & Rhodes).

		HONOURS					
FINAL		INTERMEDIATE			PRELIMINARY		
7		6			—		
		SUMMARY					
		Final					
		Parts	Part	Part	Inter-	Pre-	Modified
		I & II	I	II	mediate	liminary	Pre-
							liminary
Candidates Passed ..	..	42	231	200	335	37	40
Candidates Failed ..	..	75	398	66	493	111	45

16 Candidates who sat for Parts I and II of the Final Examination satisfied the Examiners in Part I only.

36 Candidates who sat for Parts I and II of the Final Examination satisfied the Examiners in Part II only.

Clitheroe—BRIGGS, John Hitchen (with Kilner & Farnell).

Coleford—BAKER, Royston James (with Geoffrey T. Barter).

Consett—ROUTLEDGE, Rex Thompson (with J. M. Nicholson & Co.).

Cork—FOLEY, William Aquinas (formerly with Kirby & Kirby); O'CONOR, Nicholas Joseph (with C. P. McCarthy, Daly & Co.); SHINNICK, Cormac (formerly with C. P. McCarthy, Daly & Co.).

Coventry—CRIBDON, John (with Chaplin, Hall & Co.); SALMON, Derek Harry (with Chaplin, Hall & Co.).

Croydon—LONG, Derek Martin (with Boden, Swaysland & Co.).

Darlington—BAYFIELD, Sidney (Ministry of Housing & Local Government); THARRATT, Bertram Ernest (with Peat, Marwick, Mitchell and Co.).

Derby—GILLANDERS, William (with Nutt, Horne & Co.); RAVENSDALE, Robert Cyril (with Nutt, Horne & Co.).

Dewsbury—WHITELEY, Jack (with G. L. Hirst & Co.).

Doncaster—NOBLE, John Brian (with Alfred F. Girling).

Dorchester—RIMMER, John Edward (with Edwards & Edwards).

Douglas (I.O.M.)—CURRIE, Gordon William (with Albert Hill & Co.).

Dublin—KEEGAN, Edward Joseph (with Purnell, Davenport, Tierney & Co.); LIGHTBODY, John Eugene Michael (with William C. Ribbeck & Co.); MORRIS, Thomas William Rowlett (with J. A. Kinnear & Co.); WALSH, Ronald Gorham (with J. A. Kinnear & Co.).

Dudley—BENGREE, John Stephen (with Wm. Lloyd & Co.).

Dundee—BROWN, Allan (formerly with Don and Stewart).

Edinburgh—GRAY, Andrew Oswald (with Scott & Paterson); HAMILTON, Ian Drummond, B.COM. (Department of Health); PECK, Julian Forbes Arbuthnott (Ministry of Labour and National Service).

Epsom—HUMPHREYS, Leonard (with Kennedy, Smellie & Co.).

Exeter—CREEDY, Peter William (with W. W. Beer, Aplin & Co.).

Exmouth—SNELL, David Massey (with S. J. G. Southon & Co.).

Falkirk—MORRISON, Ian (with Festus Moffat and Co.).

Glasgow—McROBBIE, Annie Trail (with Robert Fraser).

Guernsey—MOLLETT, Charles Sylvester (with Black, Geoghegan & Till).

Halifax—McMAHON, John Joseph (Borough Treasurer's Department).

Hayes—COLE, John Gwyn (formerly with F. A. Magee & Co.); SIMS, James Arthur (with F. A. Magee & Co.).

Hereford—YEO, Henry Dovell (with Thorne, Widgey & Co.).

Hexham—PROUD, Ronald (with Dixon, Brown & Co.).

Hitchin—ARMSTRONG, Robert John (with S. McCombie & Co.).

Horsham—COLE, Michael James Eaton (with Philip T. Bryant).

Hounslow—VELUPILLAI, Seevaratnam, B.SC. (with Harmon Smith & Co.).

Huddersfield—DAVISON, Frederick Arthur (with J. R. Davison & Co.); FIELD, Kenneth Noel (with J. R. Davison & Co.); JACKSON, Kenneth (with Pattimore & Dyson).

Hull—CHAPMAN, Peter Reginald (with Hodgson, Harris & Co.); DOBSON, Clarence Conrad (with Hodgson, Harris & Co.); FEWLESS, James William Barwick (with Hodgson, Harris & Co.); HUDSON, Raymond Frank (with Goldie, Campbell & Robins); WAUDBY, Roy (with Goldie, Campbell and Robins).

Keighley—HAYHURST, William (Borough Treasurer's Department); KITCHEN, Geoffrey Lambert (with Cryer & Kitchen).

Leeds—BEDDARD, Henry James (with Croudson & Co.); BRIDGMOUNT, Frank (with Peat, Marwick, Mitchell & Co.); CRABTREE, Geoffrey (with Alexander, Sagar & Co.); CROWTHER, Ronald David (with Beevers and Adgie); HEMINGWAY, John (with John Gordon, Walton & Co.); HIRST, Frank Cawood (formerly with Croudson & Co.); LUNN, Donald William (with John Gordon, Harrison, Taylor and Co.); PARKER, Dennis Frederick (with Fredk. & C. S. Holliday); STRICKLAND, Peter Edward (with Brown, Butler & Co.); TASKER, Dennis (with Sir Charles H. Wilson & Co.).

Leicester—BROOKS, Trevor Briarcliffe (with Shirley March, Bosworth, Cramp & Co.); JEFFS, Wilfred Charles (with John Rowley and Co.); NEWCOMBE, Douglas William (with Wykes & Co.); RHODES, David Arthur (with Thomas May & Co.); SMITH, William Fielding (with Alfred G. Deacon & Co.).

Lincoln—CHIDGEY, Charles Haward (Ministry of Housing and Local Government); LAVERACK, John Arthur (with Harlow, Ward and Smart).

Liverpool—BENNETT, William (with Hopkins, Stevenson & Co.); EVANS, Morris (with Charles E. Dolby & Son); HELLER, Sidney Ivor (formerly with J. Sloan & Co.); LOWTHER, John Burnett (with Lithgow, Nelson & Co.); RILEY, Norman Arthur (with Simon Jude & West).

London—AKERMAN, Stephen Richard (with Gray, Stainforth & Co.); ALLEN, Elliott Peter (with Alfred Wright & Co.); ANDERSON, Arthur David James (with Smith & Williamson); BALKIN, Samuel (with S. Brief & Co.); BARKSHIRE, Frank William (with Peat, Marwick, Mitchell & Co.); BASU, Nihar Kumar, B.A. (with Edward Boyles & Co.); BAYLISS, Edwin Henry (with Holden, Howard & Co.); BEALE, Gerald Montague (with B. de V. Hardcastle, Burton & Co.); BEARMAN, Kenneth Alfred William (with Kemp, Chatteris & Co.); BENNETT, Keith Lester (with Moore, Stephens and Co.); BERMAN, Sidney (with Wilson Wright and Co.); BODDINGTON, John (with Harold C. Wright, King & Co.); BOXALL, Eric Richard (with John M. Winter & Sons); BRINKLEY, Michael Anthony Stuart (with Mellors, Basden and Co.); BROWNS, Alec Charles (with Pannell, Crewdson & Hardy); BROWN, George Wells (with Viney, Price & Goodyear); BROWN,

Reuben (with A. T. Chenhalls & Co.); BUCKLE, Ernest Charles (with Peat, Marwick, Mitchell and Co.); CARTWRIGHT, William James (with Cooper Brothers & Co.); CHAKRABORTY, Bhupesh Ranjan, B.SC. (with Percy Phillips & Co.); CHIGNELL, Herbert Leslie (with Holroyd, Northcott & Co.); CLINCH, Cecil Charles John (with Gibson, Appleby & Co.); COUZENS, Leslie Harris (Comptroller's Department, Metropolitan Water Board); CRAWLEY, Leslie Charles (with Charles Comins & Co.); CROSS, Harold William (Colonial Audit Department); CUTHBERT, John Reginald Thomas (with Silversides, Slack & Barnsley); EALES, Basil John (with Broads, Paterson & Co.); EDWARDS, Alan Frank (with Cooper Brothers & Co.); EGGERT, Malcolm Ashwin (with Alexander B. Neil & Co.); ESNOUF, Francis John (with Pawley & Malyon); EVERETT, Kenneth Allan John (with Farrow, Bersey, Gain, Vincent and Co.); FENTON, James Raymond Rooke (with Cooper Brothers & Co.); GOOD, Derek Harry (with Viney, Price & Goodyear); GRAY, Stuart (with Metcalfe Collier, Hayward & Blake); GREATBANKS, Eric James (with Newman, Ogle, Bevan & Co.); GREEN, Dennis William (with Farrow, Bersey, Gain, Vincent & Co.); GREEN, Eric James (with Button, Stevens & Witty); GREEN, John Peter (with Pike, Russell & Co.); HALLEY, William Edmund (with Hodgson, Harris & Co.); HARDY, Peter Francis (with Clements, Hakim & Co.); HARKEM, Alfred Herbert Edward (with Gordon Hawley and Co.); HAWKE, Frederick Charles (with Deloitte, Plender, Griffiths & Co.); HAYES, Edward George (with Eric H. Ascher & Co.); HAYWARD, William Frederick (with Wright, Fairbrother and Steel); HEARD, Ronald William (with Prideaux, Frere, Brown & Co.); HEAVENS, Reginald John (with Cooper Brothers & Co.); HENDRE, John Francis (with Cooper Brothers and Co.); HOLLAMBY, Denis (with D. J. Brass, Scott & Co.); HUGHES, James Martin (with Franklin, Wild & Co.); JOHNSON, Peter Brian (with Woodington, Bubb & Co.); KIMBLE, Bernard Henry (with B. de V. Hardcastle, Burton & Co.); LAKE, Douglas Johnson (with Deloitte, Plender, Griffiths & Co.); LEWIS, Alexander Owen (with Kemp, Chatteris and Co.); LINDEN, Frank Sidney (with Broads, Paterson & Co.); LOADER, Francis Roy (with C. J. Hughes & Co.); LOGAN, Peter James (with MacIntyre, Hudson & Co.); LOWE, Ernest Anthony (with James Grimwood & Co.); MANSELL, Peter George (with Rickard & Co.); MARKS, Douglas Bertram (with Peat, Marwick, Mitchell & Co.); MAYNARD, George Francis (with Barker, Williams & Co.); MERCER, Keith (with Finnie, Ross, Welch & Co.); MIDCALF, Ronald William (Borough Treasurer's Department, Holborn); MOURGUE, Harold George (with Harker, Holloway & Co.); OLIVER, James Edward (with Allan, Charlesworth and Co.); PAGE, Derek George (with Lithgow, Nelson & Co.); PENFOLD, Ernest Alfred Charles (with Deloitte, Plender, Griffiths & Co.); POTTICARY, William George (with Charles Comins & Co.); PULLEY, Kenneth (with Spicer and Pegler); RICHARDS, Anthony James (Warley & Warley); RINK, Denis John (with Shipley, Blackburn Sutton & Co.); RIVETT, Eric Lionel (with Keeling & Co.); SECKER, Frank Joseph (with Brown, Peet & Tilly); SHAW, Raymond John (with J. A. Greenfield);

SHERIDAN, Julius (with S. Brief & Co.); SIMMONDS, Peter John (with Townsend, Watson and Stone); SIMMONS, Dennis Owen (with Blakemore, Elgar & Co.); SLATER, James Derek (with Cooper Brothers & Co.); SMITH, Anthony Henry (with L. H. Findlay & Co.); STEPHENS, Joseph Edward Cyril (with Brown, Peet and Tilly); TAYLOR, Edward Allen (with Binder, Hamlyn & Co.); VAN DEN BERGH, Cornelius Edward (with Price Waterhouse & Co.); WALDER, Edwin Ernest (Borough Treasurer's Department, Finchley); WAYMAN, James Fawcitt (with Hobbs, Peskett & Co.); WHITE, Bernard Claude Hamilton (with Josiah Beddow and Son); WILKINS, Alfred Percy (with Joel Auerbach); WILKINSON, Derek Lewis (with Brown, Peet & Tilly); WILLIAMS, Derek Gordon (with R. G. Kirkpatrick & Co.); WILSON, Herbert Edward (with Josolyne, Miles and Co.); WISE, Peter Richard (with Hibbert, Sier, Woods & Co.).

Luton—WATTS, David James (with Keens, Shay, Keens & Co.).

Manchester—AINSWORTH, Ian Harry (with J. B. Boyd, Wrigley & Co.); ALLEN, Gordon (with Thomson McLintock & Co.); CLIFF, James Stuart (with Geo. T. Cheetham & Co.); HOLMES, Alan Hogarth (with Deloitte, Plender, Griffiths & Co.); JONES, Ernest Arnold (with Joseph Affleck & Co.); RAO, Addanki Ramachandra, M.A. (with Lloyd, Piggott & Co.).

Middlesbrough—WORLAND, Ronald Charles (with Peat, Marwick, Mitchell & Co.).

Newcastle upon Tyne—CLASPER, Harvey (with Price Waterhouse & Co.); JOHNSON, Alan (with Peat, Marwick, Mitchell & Co.); PHILIPSON, Alan (with Price Waterhouse & Co.); ROBSON, Alan Keith (with James L. & F. S. Oliver).

Newmarket—WRIGHT, Frank Bertram (F. B. Wright).

Newport, Mon.—JONES, Derek Theo (with Friend, Ellis & Co.); SYMONS, Royston (with Rowland Jenkins & Co.); THOMAS, George Attwell (formerly with C. T. Stephens & Co.).

Newton Abbot—LUSCOMBE, Thomas Gordon (with Wills (with W. E. Reynolds & Co.)).

Northampton—SKETCHLEY, Peter Trevor (formerly with Horace E. Lacey).

Norwich—SWINDELLS, John Cawley (with Harper-Smith, Moore & Co.); UPSHAW, Eric Lewis (with Culley & Co.).

Nottingham—POTTS, Francis Edward (with Mellors, Basden & Mellors).

Oxford—WHITLEY, Jack (formerly with Thornton & Thornton).

Paris—WELLS, Michael Trevor (with Deloitte, Plender, Griffiths & Co.).

Penrith—MITCHELL, Joseph Alexander (with N. T. O'Reilly & Partners).

Penzance—BROAD, Harold Percy (with Whitaker & Redfern).

Plymouth—FRANKS, David John (with White & Pawley).

Poole—SARTIN, Denis John (with Edwin G. Pulsford).

Portsmouth—BUTCHER, Frederick Cecil David (with Edmonds & Co.).

Preston—SUDELL, Walter Francis (with Whitehead & Aldrich).

Ryde (I.O.W.)—BOSTOCK, Richard, B.COM. (Borough Treasurer's Department).

Sheffield—ILLINGWORTH, James William (with Garnett, Depledge & Lewis); PEACE,

Derrick (with Wells Richardson & Co.); REANEY, Kenneth (with Macredie & Evans); TAYLOR, Dennis Walter Mullin (with Cunningham, Priestley & Co.).

Skipton—WICKS, William Anthony Kemble (with Weston, Whalley & Jackson).

Southampton—LYON, John Frederick (with Beal, Young & Booth); SCOPES, John Lancelot (with Westlake, Clark & Co.); YOUNG, John Baldwin (with Beal, Young & Booth).

Spalding—CREASEY, Eric Walter (with Smith, Thompson & Co.).

Stockport—BURGON, Bernard (with John McIntyre).

Stockton-on-Tees—BARRY, Gerald Robert (with Richard Jewitt, Sparrow & Co.).

Stoke-on-Trent—JOHNSTONE, Donald Peter (with J. Paterson Brodie & Son); LOWE, William Herbert (with Bourner, Bullock & Co.).

Stroud—PRICE, William Barclay (with S. J. Dudbridge & Sons).

Swansea—JOHNSON, Kenneth James (with Ashmole, Edwards & Goskar).

Taunton—BROWN, John Robert (County Treasurer's Department).

Walsall—DAVIS, Kenneth (with Walter J. Edwards & Co.).

Waterford—PHELAN, William Gerard (with T. R. Chambers, Halley & Co.); PURCELL, Philip Joseph (with W. A. Deevy & Co.).

Wellingborough—BRITCHFORD, Donald Edward (with James & Sanders).

West Hartlepool—BAMFORD, Arthur (Deputy Borough Treasurer); KENT, George William (with Wm. Fortune & Son).

Wisbech—SALMON, Alan Daniel (with Larking, Larking & Whiting).

Wolverhampton—FIELD, Reginald Henry (with H. Davies & Co.); LATHAM, Charles Finlay (with M. Alex. Walker).

Worcester—COLLINS, Gilbert Charles (with Rabjohns, Leopard & Co.).

Worthing—GARRETT, Douglas Paul (with Arthur Stubbs & Spofforth).

York—BOLLADA, Daniel (with Stephenson, Smart & Co.); WRAGG, George Dennis (formerly with W. D. Garbutt & Elliott).

INTERMEDIATE EXAMINATION

Honours Candidates (6)

HAMMENT, Denis Ernest (with Stanley Gorrie, Whitson & Burkitt), London. (*First Certificate of Merit and First Prize.*)

REED, James John (with Slipper & Co.), London. (*Second Certificate of Merit and Second Prize.*)

NORDEN, Geoffrey Robert (with Luff, Smith and Co.), London. (*Third Certificate of Merit and Third Prize.*)

COOKE, Philip John (with Pinner, Ryley and Co.), Redditch. (*Fourth Certificate of Merit.*)

YATES, Kenneth Douglas (with Martin Shaw, Leslie & Shaw), Belfast. (*Fifth Certificate of Merit.*)

CASBOLT, George Edward (with Singleton, Fabian & Co.), London. (*Sixth Certificate of Merit.*)

Candidates Passed (329)

Banbury—TURVEY, Ernest Albert (with Thornton & Thornton).

Barking—SCOTT, Arnold George (Borough Treasurer's Department).

Bath—WILKS, Freda Rickard (with Ham, Jackson & Brown).

Belfast—REID, David (with Martin Shaw, Leslie & Shaw).

Berkhamsted—LAING, Michael John (with E. T. Mackrill & Co.).

Bexhill-on-Sea—KENT, Frederick Kenneth (with Waterhouse & Francis).

Birkenhead—FORSTER, David Anthony (with K. H. Wrigley).

Birmingham—ANDREWS, Neil Thomas (with Harold Sadler); BAKER, Geoffrey (with Archibald Brown & Bissell); COLLINS, Paul John Viner (with Heathcote & Coleman); DAVIES, Gareth (with Jacob, Cavenagh and Skeet); HOLLAND, Philip Ernest (with Griffith and Griffith); HOMER, Barry John (with Howard Smith, Thompson & Co.); LOCK, John Frederick (with Foster & Stephens); TIDMARSH, Michael Henry (with Tyler & Wheatcroft); TRIGWELL, John James (with Greenhill, Pate and Co.).

Blackpool—WALMSLEY, Vincent (with H. Moore).

Bolton—TREVENA, Frederick Donald (with Harper, Pilling & Co.).

Bournemouth—DAVIES, Anthony Charles Kenneth Neville (with Hibberd, Bull and Johnson); HOLLY, Brian John (with Norman Sacker, Copper & Co.); STEPHENSON, Rowland Ernest (with Malpas, Simmons & Co.).

Bradford—AIREY, Brian (with Frank Dean); ILLINGWORTH, John (with Armitage & Norton); MURGATROYD, Antonie (with W. Claridge and Co.); SULLIVAN, Thomas William (with Boyce, Welch & Co.).

Brighton—BARHAM, John Arthur (with Spain Brothers, Dalling & Co.); SEEAR, Allen Frederick (with Carpenter, Arnold & Turner).

Bristol—GOULD, Harry Francis (with Hudson Smith, Briggs & Co.); HOOKER, Brian Derek (with Sidney Foster & Sons); JORDAN, Kenneth (with Curtis, Jenkins, Cornwell and Co.); MASSEY, David Stuart (with John S. W. Bernard); SEAMAN, Ronald Keith (with C. J. Ryland & Co.).

Burnley—PEPPER, Thomas Wilson (with Kneeshaw, Moffatt & Co.).

Bury St. Edmunds—FULCHER, Michael David (with Oliver Lusher & Co.).

Calcutta—CHATTOPADHYAY, Nanigopal, B.A. (with H. M. Majumdar & Co.).

Cambridge—THOMPSON, Arthur (with Slater, Dominy & Swann).

Cardiff—ALLEN, David (with Peat, Marwick, Mitchell & Co.); BARRY, Brian Grosvenor (with Sweeting, Pearce, Davies & Co.); BOOY, Edward Joseph James (with Saunders, Horton, Evans & Co.); DAVIES, Winston Charles (with Percy Walker, Simpson & Co.); MORRIS, Thomas Brian (with J. Wallace Williams & Co.); O'SHEA, Maurice John, B. A. (with Alban and Lamb); RENSCHAW, Eric (with Ernest Holbrook and Co.); SIMS, Neville William (with Phillips and Trump).

Carlisle—FROST, Peter Bryant (Ministry of Housing and Local Government).

Cheltenham—NIELD, William (with Lewis Vizard & Son).

Chester—HALL, Robert Michael (with Haswell Brothers); ROBERTS, Thomas Arthur (with Harwood Banner, Lewis & Mounsey).

Christchurch—ADAMS, Terence Charles (with Bradley, Slater & Ratcliffe).

Clitheroe—POLLARD, Ronald (with Kilner, Farnell & Moon).

Coleraine—O'KANE, Edward (with Frederick Dall Bray & Co.).

Cork—O'CALLAGHAN, John (with T. J. Clifford).

Coventry—GREY, Fred Spencer (City Treasurer's Department); PERKIN, Anthony (with Deacon, Guild & Co.); ROBERTS, Edward Brian (with Deacon, Guild & Co.).

Cradley Heath—ROBERTS, John Leslie (with Jones & Jasper).

Darlington—JOWETT, Kenneth (with Thomas Craggs & Co.); LAWRENCE, John Richard (Borough Treasurer's Department); PORTEUS, Harry (with Peat, Marwick, Mitchell and Co.).

Derby—CLIFT, David James (with Bocock, Jeffrey & Co.); HAYWOOD, Alfred (County Treasurer's Department); PARKIN, Melville (County Treasurer's Department); SIMPSON, Bryan (with Taft, Mabe & Co.).

Doncaster—DUNKERLEY, Eric (with A. E. Smith, Craven & Co.).

Dorchester—HARRIS, Peter Roland (with Edwards & Edwards); RIGGS, Martyn Derek (with Edwards & Edwards).

Driffield—ROBSON, Geoffrey Gordon (with G. M. Blakeston & Co.).

Dublin—BARRINGTON, Gilbert Michael (with A. L. Riley); CANTON, Patrick Joseph (with Griffin, Lynch & Co.); DOLAN, John Patrick (with Purtill & Co.); HAYES, Cyril Godfrey (with Cooper & Kenny); MAGUIRE, Patrick Augustine (with Kennedy, Crowley & Co.); MARTINDALE, William George (with Cooper and Kenny); MURPHY, Timothy Michael (with R. Stephen & Son); RAWSON, James Baird (with Purtill & Co.); SMYTH, Anthony Charles (with J. A. Kinnear & Co.).

Dudley—HEATHCOTE, Jack Raymond (with Stevenson & Nock).

Eastleigh—GEDDIS, Vera Winifred (with Beal, Young & Booth).

Edinburgh—COGHILL, Ernest Brown (with Howden & Molleson); SIBBALD, James Lawson (City Chamberlain's Office).

Fleetwood—JONES, Roy Newton (with Hodgson, Harris & Co.).

Gloucester—WHITSON, Rowland John (with Kingscott, Dix & Co.).

Grimsby—SMITH, Charles William (with Skaith, Beeson & Co.).

Halifax—PARMINTER, Melville (with Kilby, Sutcliffe & Co.).

Hastings—WALL, Clifford James (with Mannington & Hubbard).

Hillingdon—HUDSON, Denis Graham (with Hare, Wilson & Co.).

Houghton-le-Spring—PICKLES, Ralph (with Robert Miller & Co.).

Huddersfield—HOWARTH, Raymond (with Kaye & Wood); SHEARD, Frederick John (with Fred Sheard & Sons).

Hull—JACKSON, Charles Bryan (with Hodgson, Harris & Co.); SMITH, William Winfield (with Goldie, Campbell & Robins);

STUBBINS, Thomas (with Hodgson, Harris and Co.); WILSON, Clive Stanley (with Scott, Wheatley & Palmer).

Kendal—CHADWICK, Maurice William (with W. E. Whitwell).

Keighley—BINNS, Jack (with Cryer and Kitchen).

Kettering—HAMMOND, John Bateman (with Leslie Smith & Co.); WALKER, Maurice Raymond (with Leslie Smith & Co.).

King's Lynn—BRUCE, Anthony William (with Hayhow & Co.).

Lancaster—SANDHAM, Peter Francis (with Thornton & Stanley).

Leeds—FALDING, Gordon Wilson (with Beevers & Adgie); FENTON, Michael (with Peat, Marwick, Mitchell & Co.); FOULKES, Donald (with Frederick & C. S. Holliday); GRIFFITH, Eric Percy (with Victor Walton and Co.); HARGREAVES, Anthony Paul (with A. Barr & Co.); HARTLEY, Peter Kendrick (with Bell, Gill & Co.); HODGETTS, Anthony John (with Frank Hall); SHIRES, John Ronald (with John Gordon, Walton & Co.).

Leicester—BRAMWELL, Harold Keith (with George E. Hern); CUFFLIN, David Robert Palmer (with Thomas May & Co.); DINNING, Robert William (Ministry of Labour and National Service); GRAY, Raymond Alfred (with Wykes & Co.); KNOTT, Michael Henry (with A. C. Palmer & Co.); LYON, Douglas Earlswood (with Baker & Co.); RIGBY, John Alan (with T. Rimington & Co.); SHARP, Anthony James (with Carr, Braint & Johnson).

Letchworth—FOSTER, Melbourne Seton Howard (with Amsdon, Cossart & Wells).

Limerick—SHEEHY, Gerard Henry (with Michael K. Wallace).

Lincoln—LEIGH, Kenneth Bruce (with J. S. Streets & Co.); ORBELL, Eric William (with J. Nicholson & Co.); SKINNER, John (with J. Nicholson & Co.); WINTER, Michael (with J. Nicholson & Co.).

Liverpool—AINSCOUGH, Harold Frederick James (with Bailey, Page & Co.); COUSINS, John Joseph (with Satterthwaite & Pomfret); EVANS, David Anthony (with H. W. Pople); EVANS, Ronald David (with Dawson, Graves and Co.); HIGGINS, John Harrison (with Louis Nicholas & Co.); LEWIS, Reginald Harvey (with Peat, Marwick, Mitchell & Co.); RICHARDSON, James (with Edmund D. White and Sons); TREMBATH, Ernest (with Dawson, Graves & Co.).

Llandudno—WILLIAMS, Arthur (with R. A. Forbes & Co.).

London—ADDIS, Ronald John (with Hatfield, Dixon, Roberts, Wright & Co.); AMBROSINI, Carlo (with A. C. Palmer & Co.); ASH, Stanley (with H. C. Rudolf & Co.); BARKER, Gerald Cecil (with Lithgow, Nelson & Co.); BARNES, William Albert (with Herbert Hill & Co.); BATES, John Michael (with Croydon & King); BAZELL, Robert Hugh (with Milne, Gregg and Turnbull); BOUCHERAT, John Louis Maurice (with Gordon Hawley & Co.); BOWYER, Roy Frederick (with Painter, Mayne & Walker); BRENT, Ronald William James (with Stevenson, Chapman & Co.); BRISTOW, Kenneth George (with Turquand, Youngs & Co.); BUTLER, Charles Alfred Edward (with Alexander B. Neil & Co.); BUTLER, Robin William (with Deloitte, Plender, Griffiths & Co.); CARPENTER, Roland John (with Creasey, Son & Wickenden);

CHRISTOPHER, Ronald William (with Wright, Fairbrother & Steel); CHURCHMAN, Tony Frank (with Spencer, Fellows & Co.); COHEN, Norman Alan (with Maurice Thei, Adler and Co.); CONWAY, Ronald Harvey (with Leaver, Cole & Co.); COTGROVE, Brian David (with Patterson, Greenwood & Co.); COULING, Paul William (with Hepburn, Hagley & Knight); CUCKOW, Charles Leonard (with Reeves and Rothwell); DALY, Francis Bernard (with Gilroy, Ruck & Jenkins); DIX, Clifford Edward (with Edward Moore & Sons); DORTON, Ronald Herbert (with Leslie A. Ward); DUKE, Michael Mark (with Nyman Libson & Co.); DUNBAR, David Arthur (with Cash, Stone and Co.); ELLIOTT, Leslie (Borough Treasurer's Department, Willesden); ENDERSBEE, Bryan Joseph (with Deloitte, Plender, Haskins and Sells); ENGEL, Ian (with Edward Blinkhorn, Lyon & Co.); EVANS, Dennis (with Hepburn, Hagley & Knight); EVANS, John Frederick Hester (Borough Treasurer's Department, Wandsworth); EVERITT, Alan William (with Charles Wakeling & Co.); FERRY, Robert James Christopher (with Harold C. Wright, King and Co.); FORDHAM, Raymond Frank (with A. J. Cooke & Co.); GARNER, Aubrey Edward (with Keens, Shay, Keens & Co.); GRAY, Alan James Thomas (with Rickard & Co.); GOULT, George (with Keeling & Co.); GREENROD, Patricia Eve (with Ford, Rhodes, Williams and Co.); HALL-STRUTT, Frederick Charles (with A. J. Harper & Co.); HANNA, John Peter Robertson (Ministry of Housing and Local Government); HARRIS, Naphtalia (with Lever, Honeyman & Co.); HARRIS, Peter John (with Matthews, Wiseman & Co.); HICKMAN, Alan Dudley (with Deloitte, Plender, Griffiths & Co.); HUTCHINSON-RUSSELL, Alistair John (Borough Treasurer's Department, Wandsworth); JEFFRIES, Kenneth Alan Gilder (with Gerald Edelman & Co.); KEANE, John Michael (with Hughes & Allen); KEW, Nellie Louisa (with de Paula, Turner, Lake & Co.); LAKE, Frederick Leonard (Ministry of Housing and Local Government); LAKEN, Alan Robert (with Holden, Howard & Co.); LANDSMAN, Arnold Charles (with C. Neville, Russell and Co.); LAWRENCE, William James (with Deloitte, Plender, Griffiths & Co.); LEITCH, Frederick William (with Hughes & Allen); LEMON, Harvey (with Rhodes & Rhodes); LESSER, Leslie Hugh (with Harold Everett, Wreford and Co.); LEVY, Sydney (with Percy Phillips and Co.); LINDECK, John Michael (with Allen, Baldry, Holman & Best); LLOYD, Norman Albert (with Daniel Mahony, Taylor & Co.); LOOCHIN, Ivor Bernard (with Edward Blinkhorn, Lyon & Co.); MACDONALD, Neil John (with Mitchell, Rodrigues & Co.); MACGREGOR, Stuart John (with R. H. Munro & Co.); MCGUIRE, Edward (with Moore, Stephens & Co.); MARLOW, Reginald John (with Chipchase, Wood & Jacobs); MAY, Christopher Gooding (with Keens, Shay, Keens & Co.); MILLS, Brian Alexander (with Batty & Co.); MORGAN, Mark Sidney Ernest (with Gilroy, Ruck & Jenkins); MURTY, Anthony Leslie (with Thomson, Gregory, Thol and Co.); NEIGHBOUR, Roy Edward (with Clements, Hakim & Co.); PARIS, Malcolm (with Stringer, Higgs & Co.); PICTON, Stanley (with Peat, Marwick, Mitchell & Co.); PIZZET, Denis Alfred (with H. A. Merchant & Co.);

Pollock, Malcolm Ivor (with Davis, Berks and Co.); **Porter**, Clarence George John (with Cash, Stone & Co.); **Prest**, Charles David (with Deloitte, Plender, Griffiths & Co.); **Ratford**, William Frederick (with Peat, Marwick, Mitchell & Co.); **Read**, Richard George (with Cooper Brothers & Co.); **Richardson**, Frank (with Edward Moore and Sons); **Rowland**, Reginald Stanley (with Bowyer, Tiplady, Fordham & Co.); **Sapper**, Peter Michael (Exchequer & Audit Department); **Shah**, Jitendra Sankalchand (with Diamond, McCormick & Shah); **Shears**, William Charles (with Creasey, Son & Wickenden); **Smith**, Denis Charles (with Passer, Miller & Co.); **Snape**, Roy (with Keens, Shay, Keens & Co.); **Stacey**, Winifred Theresa (with Whitehill, Marsh, Jackson and Co.); **Stebbing**, Frederick (with John Cooper and Co.); **Steff**, John Charles (with Percy Mason & Co.); **Steward**, Leslie Charles (with Downra & Co.); **Stratford**, Alan James (with W. B. Keen & Co.); **Taylor**, John Edward (with Frank A. Cooper & Co.); **Thompson**, Francis Bernard (with Deloitte, Plender, Griffiths & Co.); **Thomson**, Brian (with Keens, Shay, Keens & Co.); **Thorn**, Dennis Harold (with Mordant, Jarvis, Garvin & Co.); **Taggos**, John Peter (with Whitehill, Marsh, Jackson & Co.); **Truelove**, William Charles (with Holmes-White, Herbert & Co.); **Tunbridge**, Stanley James (Borough Treasurer's Department, Hampstead); **Turner**, Jean Faith (with Wright, Fairbrother & Steel); **Upton**, Betty Patricia (with Blakemore, Elgar & Co.); **Wade**, Roland John (with Leslie A. Ward); **Wakeling**, Sydney Thomas (with S. E. Parish & Co.); **Walker**, Kenneth Charles (with Martin, Farlow & Co.); **Wariner**, John Michael (with Stringer, Higgs & Co.); **Weinberg**, Harold (with Goodman, Jones & Co.); **West**, Ronald George (with Daniel Mahony, Taylor & Co.); **West**, William Frederick (with Gower, Ashley & Barnsdale); **Wharton**, Sidney John (with Deloitte, Plender, Griffiths & Co.); **Williams**, John Bryan (with Chantrey, Button & Co.).

Londonderry—**Ward**, John Joseph (with E. F. McCambridge & Co.).

Long Eaton—**Wood**, John Anthony (with D. W. H. Phipp & Co.).

Loughborough—**Pilsbury**, John (with Herbert Godkin & Co.).

Luton—**Parrott**, Brian Michael (with Godfrey, Laws & Co.).

Lynton—**Bailey**, David Brian (with L. F. Hope Jones).

Manchester—**Bhargava**, Kamesh Prasad (with William Pickles); **Bolland**, Brian (with Shuttleworth & Haworth); **Bothamley**, Kenneth Frank, (with Pilkington & Co.); **Bowden**, John Anthony (with Campbell, Foulmin & Co.); **Crewe**, Geoffrey Frederick (with Williams, Taylor & Co.); **Davis**, Alan (with W. Bolton & Co.); **Gresty**, Brian (with J. Wild & Co.); **Majumdar**, Samarendra (with William Pickles); **Nandy**, Ajit Kumar (with William Pickles); **Shaw**, Ronald (with Dearden, Gilliat & Co.); **Steuerman**, Walter (with Barr & Mosco); **Truswell**, Roy (with Shuttleworth & Haworth); **Walsh**, Patrick John (with Deloitte, Plender, Griffiths & Co.); **Wharton**, Leslie Malcolm (with F. Arthur Pitt & Co.).

Margate—**Kennett**, Norman David (with Saffery, Sons & Co.).

Middlesbrough—**Shail**, Sidney (Borough Treasurer's Department); **Stephenson**, John Trevor (with C. Percy Barrowcliff & Co.); **Yorke**, William (with George C. Wilkinson).

Minehead—**Johnson**, Brian George (with Amhurst & Shapland).

Newcastle under Lyme—**Garratt**, Graham Stanley (with L. George Fetzer); **Jenkins**, John Michael (with Reginald Statham & Co.).

Newcastle upon Tyne—**Clarke**, Kenneth Henry (with Bolton, Wawn & Co.); **Corn**, Ronald (with Winter, Robinson, Sisson & Benson); **Orton**, John Ernest (with George Lang & Co.); **Thoburn**, William John (with Thomas Rodger & Co.); **Thompson**, Stanley (with Lambert & Bailes); **Twaddle**, William Simon (with Greaves & Co.);

Newport, Isle of Wight—**Lacey**, Derek Oliver (with A. E. Hook & Co.).

Northampton—**Lovell**, Alan James (with Benbow & Airs); **Weiss**, Alastair Martin (with Kilby & Fox).

Norwich—**Garner**, Bernard Roger (with Harper-Smith, Moore & Co.).

Nottingham—**Anderson**, David Peet (with Burrows & White); **Baston**, Leonard Alfred John (with F. C. R. Moule); **Newsum**, Thomas George Harvey (with Prior & Palmer); **Squires**, Keith Brian (with C. W. H. Jackson & Co.); **Wrigley**, Amy Christine Lawson, B.A., (with Peat, Marwick, Mitchell & Co.).

Nuneaton—**Shannon**, Frank (with Robt. A. Plant & Co.).

Otley—**Jennings**, Peter (with B. E. Brayshaw); **Noble**, Frank Housley (with Hollings, Crowe, Storr & Co.).

Oxford—**Nicholls**, Peter Godfrey (with W. M. Bayliss, Sons & Co.).

Paignton—**Cooke**, Derek Lionel (with R. W. G. Taper).

Plymouth—**Ungles**, David Robert (with Roberts & Pascho).

Pontefract—**Waterton**, Brian (with Holstead & Parker).

Pontypridd—**Pugh**, Dillwyn James (with Alfred S. John & Co.).

Portadown—**Davison**, James Ivan (with Locke, Hall & Co.).

Preston—**Taylor**, James Francis (with Beesley, Taylor & Co.).

Ramsgate—**Jones**, Terence Oliver (Borough Treasurer's Department).

Reading—**Capon**, Stuart William (County Treasurer's Department).

St. Albans—**Garrett**, John (with Rance & Duncombe).

St. Austell—**Tucker**, Dennis Peter (with Bourner, Bullock & Co.).

Seaton—**Anning**, Albert John (with Carl I. Lentell & Co.).

Sheffield—**Brooks**, Brian Norman (with Howell & Hanbidge); **Cartledge**, Derek (with W. G. Hawson, Wing & Co.); **Hattersley**, Gordon (with Walter Bell & Co.); **Irving**, George David (with Ransom, Harrison & Lewis); **Wood**, Dennis (with Peat, Marwick, Mitchell & Co.).

Slough—**Rees**, Hugh Anthony (with Griffith & Miles); **Vize**, John Clifford (with Griffith & Miles).

Smethwick—**Dawson**, Norman Lawrence (Borough Treasurer's Department).

Southampton—**Phillips**, Peter Harold (with C. R. Foot, Fox & Co.); **Reynolds**, John Carl (with C. R. Foot, Fox & Co.); **Whittaker**, Robert Alan (with Westlake, Clark & Co.).

Southsea—**Blewden**, Peter George (with Buchanan & Barter).

South Shields—**Johnston**, Michael Thomas (with J. H. Whyte).

Spalding—**Sharp**, Leslie Norman (with Smith, Thompson & Co.).

Stafford—**Bradford**, Peter Stanley (with Dean & Son).

Stratford-on-Avon—**Gravestock**, Robert (with O. H. Smith & Barnes).

Stroud—**Bartlett**, Brian James (with S. J. Dudbridge & Sons).

Sunderland—**Beston**, Ronald Mathieson Hamilton (with T. C. Sqaunce & Sons).

Swansea—**Phillips**, Gerald Vivian Watkin (with Baddiel, Sleeman & Co.).

Torquay—**Evered**, John Charles (Borough Treasurer's Department).

Tunstall—**Jones**, Emyr Gwyn (with Donald H. Bates & Co.).

Wakefield—**Midgley**, Roy Edwards (with Harold Guy).

Walsall—**Daniels**, Frank Albert (with Walter J. Edwards & Co.).

Waterford, Eire—**Brazil**, Patrick Donal (with M. K. Brazil); **Hurley**, James Bernard (with T. R. Chambers, Halley & Co.).

Wellingborough—**Blagburn**, Peter Charles (with James & Sanders).

Whitby—**Flintoft**, John Denis (with M. Wasley Chapman & Co.).

Wigan—**Bradburn**, David Richard (with John King & Son).

Willenhall—**Phillips**, Edgar (with T. A. Wellings & Co.).

Winchester—**Rothman**, Algernon Patrick Francis (with D. A. Ponsford & Co.).

Wolverhampton—**Bradley**, Graham Harry (with W. Vincent Vale & Co.); **Davies**, Paul Michael (with T. E. Lowe & Co.); **Gilbert**, Malcolm Henry (with W. Vincent Vale & Co.).

Worcester—**Munn**, Martin John (with Bowen, Dawes, Wagstaff & Co.).

Worthing—**Chambers**, Geoffrey (Borough Treasurer's Department).

Yeovil—**Hedderman**, Robert Patrick (with W. T. & L. Walters); **Reed**, Anthony Emmerson (with J. & A. W. Sully & Co.).

York—**Jones**, Ronald Francis (with Peat, Marwick, Mitchell & Co.).

PRELIMINARY EXAMINATION

Candidates Passed (37)

Barclay, Ronald James Henry, *Ilford*; **Bowman**, Keith Raymond, *Leeds*; **Brown**, Duncan, *Preston*; **Carpanini**, Mario Carlo, *Cardiff*; **Crangh**, Alan Thomas, *London, E.17*; **Croft**, Brian, *Oswaldtwistle*; **Croft**, Robin, *Shanklin, I.O.W.*; **Edgson**, Robert Anthony, *East Barnet*; **Evans**, Harry Jeffreys, *Swansea*; **Felton**, Arthur, *Sal*; **Gilham**, Alan George,

Greenwich, S.E.10; HALLIWELL, Neville, Middleton, Nr. Manchester; HINDMARCH, James Brian, Idle, Bradford; HUFFORD, Terry Frederick Thomas, New Barnet; HULL, Ronald Antony, Forest Gate, E.7; JOHNSTON, James Robert, Belfast, N.I.; JONES, Colin Irving, Gateshead; KIRKWOOD, John, Ardsleigh, Colchester; MACE, Dennis James, Aldridge, Nr. Walsall; MAGILL, David Gerrard, Belfast, N.I.; MASON, JOHN Richard, Edgware; MOUNT, Raymond, Lancaster; NEWSON, John Brian, Frenchwood, Preston; OLDROYD, Maurice Frederick, Birkby, Huddersfield; PALIN, Arthur, Liverpool, 6; PURNELL, Percival Frederic Albert, Enfield; ROBERTSON, George Struan, Northstead, Scarborough; ROSE, Dennis William, Herne Bay; SEAGROVE, Bernard John, London, S.E.15; STOKOE, John Edward, Hedley, Stocksfield-on-Tyne; STUBBS, Roy, Hanging Heaton, Batley; TOHILL, James Joseph, Andersonstown, Belfast, N.I.; WALKER, Brian Russell, Manchester, 8; WALKER, Reginald Frederick, Surbiton; WALLIS, Brian Edward, Luton, Beds; WILKIN, Laurence Alfred, Dagenham; YOUNG, Anthony, Edinburgh, 6.

MODIFIED

PRELIMINARY EXAMINATION

Candidates Passed (40)

ARMITAGE, Peter Derek, Frecheville, Sheffield 12; ATTERBY, William Brian Bevan, Southend-on-Sea; AUDUS, William Ernest, Dagenham; BAIN, Charles Luke, Antwerp, Belgium; BARON, Keith William, Levenshulme, Manchester, 19; BEAVIS, Ivan, West Didsbury, Manchester, 20; BENNETT, Ronald Wallace, West Bromwich; BERRY, George Phillip, Ilford; BRINDLEY, Desmond, Chaddesden; BRYKCYNSKI, Stefan, London, W.14; BURFORD, Raymond Charles John, Sidcup; CARE, Thomas, Sparkhill, Birmingham, 11; CATLIN, Donald James, Stechford, Birmingham, 9; CAVE, Anthony Robert, Dagenham; CHADWICK, Terence Henry, Wigan; CLARKE, James, Belfast; CONWAY, Terence Joseph, Wallsend-upon-Tyne; EVANS, Edmund Llewellyn, Walthamstow, E.17; EVANS, Paul, Preston; EVANS, Stanley George, Orpington; EVERETT, William Thomas Henry, Worcester Park, Surrey; GLAZZARD, Harry, Alton, Normanton; GRIGG, William Alfred, New Wanstead, Snaresbrook, E.11; HAWKINS, Ronald Arthur, Bromley; JEPSON, Donald, Golcar, Huddersfield; JOSLIN, Cyril John, Chelmsford; KIRBY, Terence Colin, Hull; LAWSON, Kenneth, Butterwick, Nr. Boston; LEYDEN, Dominic Mary, Drumcondra, Dublin; MCCANN, George John, London, S.E.2; MARSHALL, John Stuart, London, S.E.23; MATHIE, John French, Motherwell; PECK, George Eric, Southchurch, Southend-on-Sea; ROGERS, Kenneth John, Enfield Highway; RUSSON, Dennis Leslie, Cheadle Hulme; SEAMAN, Kenneth William, Southville, Bristol, 3; TAYLOR, Ian David, Prestwich, Nr. Manchester; THOMPSON, Christopher, Newcastle-upon-Tyne, 6; WHEELER, Gerald Joseph, London, E.9; YOUNGMAN, Brian John, Luton, Beds.

SOCIETY'S EXAMINATIONS— NOVEMBER 1953

THE SOCIETY'S EXAMINATIONS WILL BE HELD on the following dates:

Preliminary: November 10 and 11, 1953.

Intermediate: November 12 and 13, 1953.

Final: Part I November 10 and 11, 1953.

Part II November 12 and 13, 1953.

The centres will be Belfast, Birmingham, Cardiff, Dublin, Glasgow, Leeds, Liverpool, London, Manchester and Newcastle upon Tyne.

Completed applications, together with all the relevant supporting documents and the fee (Final, Part I, £4 4s.; Part II, £4 4s.; Parts I and II together, £7 7s.; Intermediate, £4 4s.; Preliminary, £3 3s.); must reach the Secretary, Incorporated Accountants' Hall, Temple Place, Victoria Embankment, London, W.C.2, not later than Monday, September 21, 1953.

Candidates are asked to obtain application forms from the Honorary Secretary of their Branch or District Society.

INCORPORATED ACCOUNTANTS' STUDENTS' TIE

A TIE, SPECIALLY DESIGNED FOR THE USE OF Incorporated Accountants' students, is now available.

Full particulars may be obtained from the honorary secretaries of District Societies and from the secretary of the London Students' Society.

DISTRICT SOCIETIES AND BRANCHES

SCOTTISH BRANCH

ON THE OCCASION OF THE FIRST VISIT TO Scotland of Her Majesty Queen Elizabeth, after Her Majesty's Coronation, Mr. Peter G. Ritchie, who had just given up office as President of the Scottish Branch of the Society, was invited, with Mrs. Ritchie, as representing the Scottish Branch, to attend the National Service of Thanksgiving and Dedication in St. Giles' Cathedral, Edinburgh, and the Garden Party at Holyroodhouse, both on Wednesday, June 24, and also a Reception by Her Majesty at the Palace on the night of June 26. On all of these occasions Her Majesty was accompanied by H.R.H. The Duke of Edinburgh.

LONDON

ANNUAL GENERAL MEETING

THE TWENTY-FOURTH ANNUAL GENERAL meeting of the Incorporated Accountants' London and District Society was held at Incorporated Accountants' Hall on June 26, 1953. Sir Richard Yeabsley, C.B.E., chairman of the District Society, who presided, in moving the adoption of the report and accounts said that while they should "hold fast to that which is good" they ought to examine from time to time the concepts and conventions they had come to regard with almost the sanctity of tradition. Let them ensure that they provided useful things that could be used, avoiding technical jargon, clever phrases, undue brevity and over-elaboration. During the postwar years, the need for a full and proper use of our national resources, avoidance of waste and maximum production had been continually stressed. These objectives involved, said Sir Richard, the ascertainment and control of cost, the feature of management with which they were concerned.

Sir Richard paid a tribute to past chairmen of the District Society, especially to "that grand old man, Sir Thomas Keens, so much of whose life has been spent in public service"; to Mr. E. Cassleton Elliott, particularly for all he had done in restoring Incorporated Accountants' Hall from the ravages of war; to Mr. Richard A. Witty, in connection with the publication of ACCOUNTANCY and the Companies Act; and Mr. A. Stuart Allen, for his masterly services in the field of taxation.

Mr. H. Basil Sheasby, M.B.E., in seconding the resolution, said he was particularly gratified that the two discussion groups they had started, one on management problems and one on taxation, had been such outstanding successes. He thought the taxation discussion group, and probably the management discussion group too, would go forward in the autumn from strength to strength. They would give the opportunity so often asked for by members—of discussing one another's problems and getting the benefit of one another's advice.

The report and accounts were adopted. Sir Richard Yeabsley, C.B.E., Mr. C. V. Best, Mr. S. L. Pleasance and Mr. J. A. Allen, retiring members of the committee, were re-elected. Mr. C. J. F. Wilkinson was elected to the committee.

On the motion of Mr. W. J. Crafter seconded by Mr. E. C. Meade, Sir Richard Yeabsley was unanimously accorded an expression of thanks and appreciation for the services he had rendered during the past year, as chairman of the District Society and member of the committee.

Mr. D. Mahony was thanked, amid applause, for his great services to the committee and to the District Society.

Mr. C. B. Hewitt, who was thanked for his past services, was re-elected Honorary Auditor.

LONDON STUDENTS' SOCIETY

PRE-EXAMINATION COURSES—AUTUMN, 1953

SEPARATE (NON-RESIDENTIAL) PRE-EXAMINATION courses for Intermediate and Final candidates will be held at King's College, London, from Monday, September 28 to Friday, October 2, inclusive. These courses are open to all students studying for the examinations of the Society, whether resident in London and district or not. Full particulars may be obtained from the Secretary of the London Students' Society.

BENGAL

THE OFFICERS OF THE INCORPORATED Accountants' Bengal and District Society for the ensuing year are: President, K. N. Gutgutia; vice-presidents, D. P. Chatterjee and R. B. Bose; hon. auditor, S. B. Roy; hon. treasurer, H. M. Majumdar, and hon. secretary, N. F. Master.

The other members of the committee are: P. K. Ghosh, N. F. Master, R. B. Shah, R. B. Mukhopadhyay, S. K. Basu, S. K. Mitra, U. N. Sur, H. M. Majumdar and G. M. Saha.

BIRMINGHAM

REPORT

THE SIXTY-SECOND ANNUAL REPORT OF THE Incorporated Accountants' Birmingham and District Society gives the membership in 1953 as 1,002, of whom 491 were student members. Members seeking advice on difficult points of practice are recommended to avail themselves of the facilities provided by the District Society. The Diamond Jubilee dinner was held on October 31, 1952, and was attended by 267 members, students and guests. Lectures were held in Birmingham, Coventry, Dudley, Shrewsbury and Wolverhampton. The social activities of the students' section were greatly increased during the year.

HULL

ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING OF THE Incorporated Accountants' Hull and District Society was held at Hull on June 26, 1953.

The retiring members of the committee, Mr. J. A. Flowers, Mr. G. M. Mowforth, Mr. C. H. Pollard, Mr. H. N. Raine, Mr. J. Reynolds and Mr. H. Scott, were re-elected. The election of Mr. S. King to the committee was approved. The retiring hon. auditor, Mr. F. W. Moss, was reappointed, with thanks for his past services.

At a committee meeting held on July 10, Mr. R. L. Davy was elected President of the district society. The following officers were also elected: Senior vice-president, Mr. H. S. Kennington; junior vice-president, Mr. F. L. Gardiner; hon. secretary, Mr. A. Jarratt; hon. treasurer, Mr. R. T. Addy; and hon. librarian, Mr. G. M. Mowforth.

Mr. R. L. Davy moved a vote of thanks to Mr. A. Macdonald, the retiring President, for his services to the Society during his term of office. This was carried with acclamation.

REPORT

The twenty-first annual report of the Incorporated Accountants' Hull and District Society, for the year ended March 31, 1953, states that at that date there were 146 senior members and 211 student members. No lectures for seniors were given. The Hull Students' Section reported good attendances at its lectures, although there was a decline compared with the previous year. A full winter session for students was held in the North Lincolnshire region, with the co-operation of other local professional organisations. If the requisite support is forthcoming, it is proposed to hold a residential course for students at Thwaite Hall, Cottingham, in the spring of 1954. There was an average attendance of 18 members at the monthly luncheon meetings in Hull, and new members particularly are invited to the next series. During the year the committee prepared memoranda for consideration by the Council of the Society of Incorporated Accountants, in relation to the Board of Trade Committee on Shares of No Par Value, liaison with the local Youth Employment Service and a survey of District Society activities and recommendations.

LIVERPOOL

ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING OF THE Incorporated Accountants' District Society was held on June 16 at the Incorporated Accountants' Hall, Fenwick Street, Liverpool.

At the meeting the resignation of the hon. secretary, Mr. H. F. Smith, who had held office since 1945, was received with great regret. The President, Mr. S. W. Hanscombe expressed appreciation and thanks for Mr. Smith's invaluable services over the past eight years and expressed the unanimous wish of the members that he would continue to be closely associated with the work of the Society as a committee member. The president then presented Mr. Smith with a silver salver and cigarette box, the gift of the members.

Mr. H. W. Pople was re-elected hon. treasurer and Mr. H. W. Pople and Mrs. B. Bramwell McCombe were elected joint hon. secretaries. Mr. W. E. Taffs was elected hon. auditor.

At a meeting of the committee which followed the annual general meeting Mr. J. L. Hughes was installed as president and Mr. H. F. Smith was elected vice-president.

The members of the committee were then entertained to dinner at the Athenaeum Club by the retiring president, Mr. S. W. Hanscombe.

NEWCASTLE UPON TYNE

REPORT

THE FIFTY-SIXTH ANNUAL REPORT OF THE Incorporated Accountants' Newcastle upon Tyne and District Society for the year ended March 31, 1953, states that the boundaries of the District Society have been extended to include Cumberland. A committee was appointed to consider activities in Cumberland. Mr. J. E. Coppock and Mr. W. L. Harris, both of Cumberland, were co-opted to the District Society Committee and Mr. J. E. Coppock was appointed secretary of the Cumberland Section. The membership of the District Society at the end of the year was 645, of whom 299 were Fellows and Associates and 346 were Students. A series of lectures was held at Newcastle, Middlesbrough, Stockton and West Hartlepool. A most successful dinner was given on February 13, 1953, and during the year there was also held an informal students' dinner. The committee continued to be represented on the Accountancy Advisory Committee at King's College (University of Durham).

ANNUAL GENERAL MEETING

The fifty-sixth annual general meeting of the Incorporated Accountants' Newcastle upon Tyne and District Society was held in Newcastle on July 3.

The retiring members of the committee—Messrs. C. P. Barrowcliff, L. C. Bye, A. Boyd, G. Stalker, J. Telfer and A. Williams—were eligible and offered themselves for re-election. A nomination had also been

received for Mr. J. E. Ibbotson and, as there were seven nominations for six vacancies, the chairman announced that a ballot would require to be taken. The ballot was waived in respect of Mr. C. P. Barrowcliff, President of the Society of Incorporated Accountants, and Mr. A. Boyd, Vice-President of the District Society, who were re-elected. The following were elected as a result of the ballot: Mr. L. C. Bye, Mr. J. E. Ibbotson, Mr. G. Stalker and Mr. J. Telfer.

The President then proposed a vote of thanks to the retiring secretary, Mr. J. E. Spoors. He reminded the members that Mr. Spoors had served the local society for 20 years and throughout that time had been a tower of strength, not only to the local society but in national circles. Mr. J. S. A. Peffers seconded the motion and stated that every member and student, at some time or another, had had to call on Mr. Spoors for assistance. The motion was received with acclamation.

Mr. J. E. Ibbotson moved, and Mr. A. Mackay seconded, the re-election of the honorary auditor, Mr. A. R. Chapman. A warm vote of thanks was accorded Mr. Chapman.

The President announced the election of the following officers for 1953-54: President, J. E. Spoors; vice-president, A. Boyd; hon. secretary, J. S. A. Peffers.

The President referred to the sad loss to the Society owing to the death of Mr. C. C. Akers, vice-president.

Mr. Jewitt installed Mr. J. E. Spoors as president.

Mr. Spoors thanked the members for the warm reception accorded him earlier in the meeting and gave some interesting details of the increase in membership and development of the District Society during the past 20 years.

An appreciation of the work done by the retiring president, Mr. T. Jewitt, was given by Mr. Spoors, which was supported by Mr. L. C. Bye and received by the members with acclamation. Mr. Jewitt responded.

Mr. J. Coppick, of Cumberland, was welcomed to the meeting by the President.

Mr. Spoors moved, and Mr. A. Boyd, vice-president seconded, that the students' subscription to be increased to £1 1s. An amendment was proposed by Mr. Forster, seconded by Mr. Ibbotson, that the increase should only refer to students who had passed their Intermediate Examination. A further amendment was proposed by Mr. Peffers, seconded by Mr. Parkin, that the subscription be 17s. 6d. The second amendment was approved and, on becoming the substantive motion, was carried.

Mr. T. Matthews moved a vote of thanks to Mr. Wadge for his excellent work in looking after the examinations in the district. This was seconded by Mr. J. G.

Colvin and warmly received by the members. Mr. Wadge, in his reply, referred to the poor support he had received from members to act as invigilators and asked for a better response for the future.

SUSSEX

REPORT

THE THIRD ANNUAL REPORT OF THE INCORPORATED ACCOUNTANTS' DISTRICT SOCIETY OF SUSSEX, for the year ended March 31, 1953, records that three lectures were given during the year (in addition to a number of lectures arranged by the students' section) and a dinner. The students' section came into existence on January 1, 1953, with Mr. G. Franklin as its hon. secretary. The accounts showed a surplus of £25 gs. for the year.

YORKSHIRE

OFFICERS

AT A COMMITTEE MEETING OF THE INCORPORATED ACCOUNTANTS' DISTRICT SOCIETY OF YORKSHIRE held on June 24, the following officers were appointed for the ensuing year: President, D. McMichael; vice-presidents, J. J. Penny, senior; A. J. Brindley, C. E. Grayson and S. Snowball; hon. treasurer, T. Hayes; hon. secretary, B. C. Stead, and hon. librarian, T. W. Dresser.

PERSONAL NOTES

Mr. N. Stott, A.S.A.A., has been appointed a Director of E.N.V. Engineering Co., Ltd., Willesden, in addition to his position as Secretary of the Company.

Mr. Norman Summers, Incorporated Accountant, has commenced public practice at 157, High Holborn, London, W.C.1, and will practise under the style of Norman Summers & Co.

Mr. Henry A. Morley has been joined in partnership by Mr. Leslie Sharpe. They will practise under the style of Morley and Sharpe, Incorporated Accountants, at 16, George Street, Nottingham.

Mr. F. H. Cornelius, A.S.A.A., and Mr. L. E. H. Bolton, F.C.A., F.S.A.A., have entered into partnership. They will practise under the style of Wrigley, Bolton, Cornelius & Co., at 23, Coleman Street, London, E.C.2.

Mr. H. W. Marshall has taken Mr. R. H. J. Hoare into partnership. They will practise as Marshall & Hoare, Incorporated Accountants, at Court Place, Court Row, Guernsey, C.I.

Messrs. J. A. L. Gunn & Partners, Union Building, 8, Bond Street, Sydney, announce that Mr. J. M. Greenwood, LL.B., F.C.A. (AUST.), A.S.A.A., previously a

partner in the firm, has commenced practice on his own account at 39-49, Martin Place, Sydney, under the style of J. M. Greenwood & Co.

Mr. Christopher Waller, F.S.A.A., F.C.I.S., has admitted into partnership Mr. William R. Wilson, A.S.A.A. The practice will be carried on under the style of Waller, Wilson & Co., Incorporated Accountants, at 27, Fitzroy Square, London, W.1.

Mr. W. A. Gardner, A.S.A.A., has commenced public practice and has entered into partnership with Mr. W. A. R. Speight, F.C.R.A., under the style of Speight, Gardner & Co., Sun Buildings, 15, Park Row, Leeds, 1.

Mr. J. P. Elliott, Incorporated Accountant, has entered into partnership with Mr. A. E. Turner, A.A.I.A. They will practise under the style of A. Ewart Turner & Co., 43, Ironmarket, Newcastle Staffs.

Messrs. John J. Potter, Mawson & Co., 10a, Mill Street, Sutton Coldfield, have taken Mr. Donald H. McGregor, Incorporated Accountant, into partnership. The firm name is unchanged.

REMOVALS

Messrs. L. H. Benten & Co. have removed their offices to Clifton House, High Street, Saffron Walden.

Messrs. McCormick & Shah have removed their offices to Bank Chambers, 280, Euston Road, London, N.W.1.

Messrs. W. Rowlands Fry & Son, Incorporated Accountants, announce that their city offices have been removed to 115, Moorgate, London, E.C.2.

Mr. D. Brentnall Hill, Incorporated Accountant, has removed his offices to 41, Clwyd Street, Ruthin, N. Wales.

Messrs. John L. Sanderson & Co., Incorporated Accountants, have removed their Bury St. Edmunds office from 29, Abbeygate to 15-16, The Traverse.

OBITUARY

MR. S. E. BUSER

With great regret we record the death on May 28, at the age of 70, of Mr. Sydney Edmund Buser, A.S.A.A., at his home at Turramurra, New South Wales, Australia. Mr. Buser became a member of the Society in 1910 and emigrated to Australia soon afterwards. He joined the firm of W. E. Smith, Ltd., printers and stationers, of Sydney, as accountant, and became managing director. Mr. Buser had been a prominent English county cricketer; he twice bowled W. G. Grace in a single match.